FBIS DAILY REPORT

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ECONOMY MINISTER DISCLOSES NEW MEASURES

PY310145 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1948 GMT 30 Dec 82

[Text] Buenos Aires, 30 Dec (NA) -- Economy Minister Jorge Wehbe announced today a package of measures which includes a 12-point reduction in the value added tax for housing transactions, and the establishment of an 11.5-percent interest rate starting next Monday. A new system is also being established for capital repatriation, and a 10.5 percent interest rate will be set for 30-day time deposits.

These announcements were made in a communique which states that "the government is determined to maintain the present exchange policy in order to preserve a realistic parity." The communique states that "the agreement with the IMF will be effective in January 1983," stressing that Argentina will receive financial aid for a total amount of $10.25 billion until March 1984. The communique refers to the recent amendment introduced in the indexing system by Circular 1,050. However, the communique does not refer to the planned reduction in withholdings for the farming sector.

Wehbe announced that starting next Monday enterprises will pay an 11.5 percent interest rate on loans granted on the official market. However, he made it clear that 1 percent of this interest rate will be absorbed by the state so that "the real interest rate paid by borrowers will not exceed 10.5 percent." The minister stated that "the interest rate on 30-day time deposits will be 10.5 percent," noting, however, that "the economic plan for 1983 will maintain the main financial principles of the reform made in July 1982." Wehbe announced that "time deposits of more than 120 days will have floating interest rates," adding that the increase in bank deposits will "enable the banks to lend according to the deposits that can be attracted." Wehbe stated that "in due time we will restore a system which consists of minimum effective interest rates which will make it possible for the Central Bank to stop granting credit lines as the main source of loans." Wehbe also stated that "the measures which restrict banks and financial institutions from obtaining deposits at floating interest rates and long-term deposits [as received] will be lifted shortly."

As for the cancellation of rediscounts by financial institutions, Wehbe made it clear that "some of the refinancing deadlines which were agreed upon with the financial institutions will remain unchanged." The minister stated that "reimbursement of part of the increased interest rate will also be made to those who invest in production equipment." Wehbe added that "the system to reduce the real interest rate will be implemented through a law which will allow the crediting, as an additional cost deduction of the profit tax, of the amounts paid as interest that exceed 10.5 percent per month."

Wehbe did not make any announcements on wage policy, but he stated in the long communique that "the wages of the private sector should be agreed upon between the enterprises and their workers and employees." The minister stated that "creating more jobs is more important than attaining a general wage increase because the lowest wages are those of the unemployed." Minister Wehbe concluded by stating that "the wage adjustments should be agreed upon between workers and employers in keeping with the policy being implemented to reduce inflation and to increase efficiency and productivity.

Wehbe pointed to the implementation of "a system that will encourage the repatriation of capital, provided such capital is used for building houses, manufacturing plants or for purchasing locally produced industrial equipment and agricultural machinery." He also announced "an 8 percent reduction in value added taxes on sales of housing units." "This reduction," he explained, "will be temporary and will extend up to 30 June 1983."

Wehbe stated that "high local indebtedness levels in state-owned enterprises will be avoided through a broad program of consolidation of fiscal debts into a very long-term bond at a low interest rate, whose servicing will not involve the need for new loans."

In the first part of the document, entitled "Communique from the Economy Minister," Wehbe highlighted the advantages of the agreement for refinancing the foreign debt and noted that "the agreement with the IMF has practically been concluded, and we expect that it will be approved by the IMF's Executive Council in January 1983." "Based on the external program," the minister added, "the government secured foreign currency resources -- to be disbursed gradually until March 1984 -- totaling $4.75 billion, which represents a net currency income of $3.65 billion." Wehbe explained that the IMF will provide "$2.15 billion including a $500-million loan for compensating the decline in exports; a $1.1 billion bridge-loan to be repaid in 1 year; and a second $1.5-billion loan." Concerning the last loan, the minister explained that it will have a 5-year term and a 3-year grace period. However, he did not mention the cost of the loan.

"Also," he added, "agreements have been reached with foreign creditor banks in order to refinance over a 7-year period and with a 3-year grace period those public and private debt obligations guaranteed by the government which will come due by 31 December 1983. These amount to $5.5 billion." Wehbe noted that all of this should be added to the 5-year delay in exchange insurance payments -- totaling $5.5 billion -- and the renewal of swaps for $1.5 billion."

The minister contended that "the essential objective of reactivating the economy requires, among other things, maintaining the present exchange policy in order to encourage exports and discourage imports." "It also requires," he added, "an interest rate lower than the one currently prevailing on the free market, with a tendency to reduce it even further to the extent allowed by inflation." According to Wehbe, the third requirement for reactivating the economy consists of "the enactment of fiscal incentives aimed at favoring investment and promoting home building, as well as strong support for the construction industry and for regional economies." "In addition," he added, "there will be a tendency to grant aid to rural banks and to put the financial situation of state-owned enterprises on a sounder footing."

INTERNATIONAL BANKS GRANT $1.1 BILLION LOAN

PY022004 Buenos Aires BUENOS AIRES HERALD in English 2 Jan 83 p 9

[Excerpts] New York (REUTERS) -- Argentina signed a 1.1 billion dollar loan with its international bank creditors on Friday marking a major step towards the resolution of its debt crisis.

Citibank, representing the banking consortium, said in a statement the 15-month bridging credit was signed by representatives of about 250 banks and Argentina's Central Bank.

The loan is designed to meet Argentina's immediate needs and will be followed by a 1.5 billion dollar, five-year loan and a refinancing of 5.5 billion dollars of debt falling due by the end of 1983, banking sources said.

The first 600 million dollars of the 1.1 billion will be made available to Argentina this week and the remainder will be advanced during the first six months of the year, Citibank's statement said.

Banking sources have said the loan would carry interest set 1-5/8 percentage points above London interbank offered rates, or 1-1/2 points above U.S. banks' prime rates, currently at 11-1/2 percent.

COMMANDER HUGHES PLEDGES RECOVERY OF FALKLANDS

PY311631 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2316 GMT 30 Dec 82

[Text] Buenos Aires, 30 Dec (NA) -- Air Force Commander Lt Gen Augusto Jorge Hughes has expressed "the solemn promise of the air force to recover our southern archipelago." He made this promise in a message addressed to all units throughout the country which must be read in special formation on 3 January 1983, on the 150th anniversary of "the British usurpation of our Malvinas Islands."

Hughes' message reads as follows:

"On the occasion of the 150th anniversary of the British usurpation of our Malvinas Islands on 3 January, the Argentine Air Force reiterates its solemn promise to recover our southern archipelago.

"Our dead heroes who are watching over our eternal sovereignty from their immortal tombs in the peat bogs of the islands or in the depths of the Argentine Sea will guarantee this promise.

"This message must be read in unit formation on 3 January and 1 minute of silence must be observed in honor of those who died in the conflict over the Malvinas, and the names of the air force personnel who died in that conflict must also be read."

MILITARY CONSIDERING END TO MANDATORY VOTE

PY021956 Buenos Aires BUENOS AIRES HERALD in English 2 Jan 83 p 9

[Text] (NA) -- General Carlos Cerda, state secretary for institutional affairs, denied yesterday that the electoral law which will govern the next elections will be ready by April, and said that he favours making voting optional.

Interior Ministry sources have said that one of the possible changes the military government is considering for the electoral statutes is eliminating the articles making the vote mandatory, a thesis confirmed by Cerda yesterday.

Cerda said that "the election timetable has not been set yet," and that "the president will decide in February, but this does not mean the elction law will be revealed then."

Asked about progress made during the last year in the Interior Ministry, Cerda said he sees 1982 as "positive", since "the government fulfilled all of its promises."

Politicians consulted yesterday had differing opinions about the proposal to make voting optional.

PRE-ELECTION SOLUTION TO BEAGLE DISPUTE SOUGHT

PY301346 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1200 GMT 30 Dec 82

[Text] Buenos Aires, 30 Dec (NA) -- It has been learned that the military government would be willing to reach a peace agreement with Chile -- before the upcoming elections -- over the Beagle dispute, without detriment to Argentine territorial sovereignty. According to press reports, such a possible solution would be agreed upon by the government will all political sectors in view of their clearly stated desire to put an end to the dispute with Chile and to strengthen relations with that transandean country. It was stressed that the government would not enter into a final solution without granting participation in that agreement to the leaders who will have the responsibility of heading the various political groups after the reorganization of the parties.

Meanwhile, statements also became known which were reportedly made a few months ago by the present head of the Argentine delegation to the papal mediation in the dispute with Chile. Ambassador Carlos Ortiz de Rozas reportedly expressed his wish to leave that post and take over an embassy, preferably the one in France.

According to the reports, government spokesmen have said that the solution to the dispute would be sought within the framework of the spirit of Latin American integration, without in any way affecting territorial sovereignty.

PERONIST EDITOR'S LAW OFFICES ATTACKED

PY021952 Buenos Aires BUENOS AIRES HERALD in English 2 Jan 83 p 9

[Text] (DYN) -- Unidentified attackers bombed the law offices of Peronist politician Vicente Leonidas Saadi with Molotov cocktails on Thursday night and threatened to burn down the LA VOZ newspaper which he edits. Sources at LA VOZ said yesterday there were no injuries and that little material damage was done in the attack, which took place at Saadi's downtown law offices.

At the same time as the attackers were throwing in the incendiary Molotov cocktails at the door of Saadi's offices, an anonymous caller telephoned LA VOZ and said "Now it's the offices, next it will be the newspaper," the sources said.

They said the attack could be related to the appearance of wall posters around the city accusing the "intransigence and mobilization" faction of the Peronist movement, headed by Saadi, of aiding the return of Montonero terrorists to Argentina. The attack is being investigated by Judge Diego Peres and by the 17th Police Precinct.

COMMUNIST PARTY LEADER BACK FROM USSR, POLAND

PY302110 Buenos Aires TELAM in Spanish 1452 GMT 30 Dec 82

[Text] Buenos Aires, 30 Dec (TELAM) -- Athos Fava, secretary general of the Argentine Communist Party [PCA], said today that both the Soviet Union and Poland are in solidarity with Argentina's struggle for the Malvinas Islands.

At Ezeiza International Airport upon his return from a visit to those countries, Fava said that in Poland new unions are being created and that the country's situation is becoming normal because the workers' after their experience of recent years, are organizing themselves on a different basis.

He said that the new unions are not like the old ones which were ineffective in their social and economic demands, nor are they like the Solidarity unions which threw production into chaos and anarchy. Fava said that he was at a steelmaking plant with 35,000 workers and that 6,000 of them had already signed up with the new unions. He added that more than 1,450 unions have been formed in other industries, on the basis of the Polish rebirth.

The PCA secretary also recounted that he talked with military authorities who expressed their full support for Argentina's claim over the Malvinas.

As for his visit to the Soviet Union, he revealed that he had visited on an official invitation to attend the celebration of the 60th anniversary of the founding of the USSR, and that he met with Chernenko, a member of the CPSU Central Committee Politburo, who told him that Aeroflot will possibly begin operation between Buenos Aires and Moscow on 1 February and that the USSR wishes not only to continue the present relations with our country, but to strengthen and broaden such relations. Fava said: "He also told me that USSR authorities want to have a more balanced trade with Argentina, because now it is too unfavorable to us."

UNION LEADERS SEEK TO REPAIR CGT SPLIT

PY301438 Buenos Aires TELAM in Spanish 2150 GMT 29 Dec 82

[Excerpts] Buenos Aires, 29 Dec (TELAM) -- The main leaders of the CGT-Brasil [a faction of the General Labor Confederation on Brasil Street], the 62 Organizations and the Nonaligned Group participated in a luncheon today, during which the unity of an important sector of the union leadership was sealed. Approximately 700 persons participated in the meeting held at the Insurance Union site. The secretary general of the Insurance Union, Ramon Valle, is part of the Nonaligned Group. Valle was the first speaker and he stressed the efforts made by the leaders of his group to unify the workers movement in a single CGT.

Saul Ubaldini, who was also honored on his 42d birthday, stated that the CGT was reconstituted on 12 December 1980. Hoisting the banner of loyalty, we carried out our action -- he added -- even against the repressive laws. Now, he said, we will carry out action for the good of the Argentine people, without the existence of bosses.

Lorenzo Miguel said that some are trying to divide us from the outside, but they will not be able to do so. This is the symbol of the national Justicialist movement. Miguel said that there are those who are not worthy of the workers, of their leaders and of the people because they adopt partisan positions which go against the good of the many, but that time will place things in their proper perspective.

POLICE EXPLOSIVES BRIGADE DETONATES NOISE BOMB

PY311348 Buenos Aires DYN in Spanish 2005 GMT 30 Dec 82

[Text] Buenos Aires, 30 Dec (DYN) -- The police anti-explosive brigade has detonated a noise bomb placed in front of the Latin American Service for Peace and Justice office headed by Nobel Prize winner Adolfo Perez Esquivel at 468 Mexico Street. The bomb was apparently placed there to prevent the approach of the mothers of Plaza de Mayo who marched toward this office after completing their regular Thursday visit at Government House demanding to know the whereabouts of missing persons. The police cordoned off the area to wait for the arrival of the anti-explosive brigade, which upon detonating the bomb, allowed the mothers to enter the area.

SILES ZUAZO'S YEAR-END SPEECH TO NATION

PY312046 La Paz Domestic Service in Spanish 1732 GMT 31 Dec 82

[Year-end speech by Bolivian President Hernan Siles Zuazo from the Palacio Quemado in La Paz -- live]

[Text] Fellow countrymen:

This year now ending was marked by the example set by the Bolivian people who, in the midst of apparently insurmountable difficulties, have shown the world their ability to struggle in a continuing quest for national liberation, thus adding another effective contribution to the historic contributions Bolivia has made to the common Latin American history.

The national effort has achieved not only the restoration of democracy and complete freedom for our people. Its international repercussion is such that the expansion of democracy's borders in this part of the continent is directly linked to our experience, which represents one of the most outstanding events of 1982. This is the highly positive balance for the year which has gone by. To that balance we must also add the gradual institutional normalization; the rational, sound adjustment of the state administrative mechanisms; the establishment of long term and short term goals for the economy; the improvement of our legal system; the formulation of a strategic foreign policy; and primarily the recovery of national credibility in every aspect of the activities conducted by the Bolivian state.

After many years a team of truly honest men, with a full awareness and a deep sense of the national interest, has put an end to rapacity, embezzlement, extortion and other arbitrary actions that characterize de facto regimes. A pattern of high moral standards imparted from the highest office of the executive branch and other officials is bringing to a minimum cases of corruption and abuse by authorities, which could undermine every policy and demoralize the people since they cause the people to lose confidence both in justice and in those who must administer it.

Those organizations charged with safeguarding public order will not only secure full respect for the citizens' prerogatives but will also enforce human rights, to the point that the Interior Ministry itself, jointly with the Latin American Human Rights Association will sponsor the next international meeting of this association, which will be attended by prominent international personalities in literature, politics and culture at large. It will thus bring honor upon our country which only two years ago was known as a terrifying center of disrespect for human rights.

Yet this atmosphere of democratic freedom also benefits those who oppose democracy, those who even avail themselves of the existing freedom to show how confused they are, to maliciously profit from the crisis and to again coordinate the drug traffic network. Those corrupt ones and a minority military group that has not resigned itself to losing its privileges are seeking to cause the government to rapidly deteriorate so they can restore order through arrogance and arms.

A regressive right-wing sector has been steadily seeking to regain its interests and has been using and abusing its congressional influence to achieve its goals. This sector is overlooking the fact that the people are alert and that to love peace does not mean to be stupid, much less to lack civic courage.

I want to refer with special concern to the economic process the country has been going through and which, being so complex, lends itself to some ill-intentioned speculation.

We have assumed the responsibility of pulling Bolivia out of a stage of economic decline and chaos without concealed interests and based only on our confidence in the courage and understanding of our people. And we are not willing to disappoint our people.

Some of our countrymen seem to have forgotten the disastrous state in which we received the Bolivian economy, and they venture to make demands which are not in any proportion to the magnitude and depth of the problems we are facing. Others are stating opinions about returning to the extremes of injustice. For that reason I believe it is necessary to refresh the memory of those who are impatient and to refute the evil intentions of demagogues at a time of the greatest seriousness and responsibility which is a challenge to all of us.

When I took over the government, an alarming wave of business bankruptcies threatened to carry unemployment to intolerable limits. Economic activity was collapsing uncontrollably, endangering the livelihood of the workers and their families. A large part of the financial system was bankrupt with loans past due which it could not collect and which were unusually large. The shortage of staples was endangering the existence of the majority of our people, and the needs of subsistence brought the low-income sectors to despair. Shortages and speculation were rife throughout the nation and mainly affected the most impoverished part of the population. Inflation had accelerated uncontrollably. It was impossible to say whether a product was expensive or cheap. The terms of reference or comparison were erratic and led to desperate decisions by those who sought to obtain their daily necessities. Salaries were deteriorating to such an extent that it was impossible to buy the minimum for subsistence; our people were suffering starvation without hope.

The chaotic exchange rate policy had transformed the dollar into the indisputable and absolute master of any economic decision. The floating of the currency destroyed the price system and converted prices into an uncontrolled system for gaining resources.

We should not forget that public finances had reached such a level of insolvency that any kind of judgment about their condition led to the same conclusion: a public sector definitively bankrupt, unable to meet its obligations; in sum, a country of hopelessly bankrupt debtors. Deficits and delayed payments were the common denominators of public finance and of a large part of private business.

In the foreign trade sector the situation was equally dramatic or more so. Exporters did not turn in foreign currencies as required; the extent of our commitments to foreign creditors was unknown. Anyone could contract obligations or debts without any norms or limits and without any kind of authorization. Imports of luxury articles drained the scarce currency reserves, of which there was no adequate accounting. The Central Bank was overdrawn with a balance in the red and thus had no credibility. Smuggling, both out of and into the country, was not only an unfair competition with industrialists who obeyed the law, it also represented a drain of dollars and products which the country could not endure.

This dark picture of uncertainty and misrule was accentuated by widespread public and private administrative corruption. In this sinister scenery the country was stumbling along without a horizon or a destiny. The memory of those fateful days is still fresh, and my government has sufficient moral authority to demand understanding, calmness and a good judgment about our intentions to carry out a drastic revival in that maze of anomalies and aberrations, because our economic policy, countrymen, is not aimed at promoting small groups of privileged people or at expanding a new oligarchy.

We intend to stop the vertical fall of our economy and to stop the bankruptcy of companies with its accompanying unemployment.

First we set out to put a brake on the rapid decline of our economy, to stop enterprises from going bankrupt and causing unemployment, to keep salaries from deteriorating further, to curb the inflationary spiral, to insure the supply of basic and subsidized products, in sum, to bring socioeconomic activities back to normal for the benefit of the nation. We will also unionize public servants, reconciling the importance and the special function of the state with the interests of qualified officials serving the Bolivian people. If an objective evaluation is made of what has been accomplished in a couple of months, it must be admitted that today Bolivia has a different image. We have recovered our credibility and external credit worthiness, bankruptcies have ceased, unemployment did not increase, inflation is under control. The buying power of salaries is now greater than it was in October and the markets are well stocked. Uncertainty and chaos have been replaced by serious and responsible economic management. Despite serious difficulties, we are pulling the country out of trouble.

Of course the task has not been completed. We have to continue shouldering our share of sacrifice and both businessmen and workers must realize that the crisis we are confronting cannot be solved with declarations of good will. We need to work in order to produce more. There is no other way out of it. If this basic prerequisite is not fulfilled, any achievement will be short-lived and frustrating. This is not the exclusive responsibility of the executive branch. It is a task for all Bolivians because the strengthening of our economy will not be an accomplishment of my government alone, but an accomplishment of all those fellow countrymen who sacrificed their lives for democracy and of all those who are willing to defend our freedom with their continuing and responsible efforts.

Let us not forget that the world recession is seriously affecting our external sector. The declining prices of our exports and the hard terms of foreign financing call for clear decisions. Conscious that the destiny of our great fatherland rests in the hands of our people, especially during this undertaking if the premature struggle for income distribution, which some groups seem to encourage is not set aside, and if we do not set for ourselves objectives for greater production, our economy will slide into stagnation, uncertainty, joblessness, inflation, and salaries will have reduced buying power, thus allowing all the advances we have made so far to go down the drain.

Fellow countrymen, these are decisive moments. Today more than ever the greatness of the people must come to the fore, the greatness of a people who are determined to overcome a destiny that until recently looked unpromising. There are positive conditions that will allow our efforts to bear fruit but only if we take rational advantage of the international situation and of our natural resources. The reactivation of the mining, agricultural and hydrocarbon sectors is no dream but an attainable goal. To that end, we have given thought to establishing a policy for gas production, mine prospecting, land clearing, crop improvement, matters regarding sugar production, rice, cotton and agroindustry in general. This whole work plan must be viewed with a proper understanding of the need for integrating and complementing our regional economies. No one should be excluded, because national development will not be attained unless everyone is taken into account: those who live in the highlands, in the valleys, in the east and in the south, where the just aspirations of the people can no longer be postponed.

We have also made progress in the struggle against drug trafficking, despite the magnitude and complexity of this problem and, first and foremost, despite the tremendous economic power that drug trafficking has generated to the detriment of the state. In less than 3 months, 125 traffickers were captured and more than 225 kg of drugs, some property, vehicles and sums of money were seized. All seized materials have been duly registered and kept either at the control department headquarters or in the corresponding accounts at the Central Bank.

Along with these actions, my government will strictly supervise foreign currency in the hands of the public and private sector, and will investigate the origin of wealth and resources which have paid for sumptuous houses both at home and abroad. We will also support the systematic intervention of the national comptroller and the attorney general in the clarification of dirty deals closed during the de facto regimes, so that the responsibility of those involved may be established and sanctions may be imposed and so that public goods may, as much as possible, be recovered. The crimes committed against the Bolivian people cannot be permitted to go unpunished, since the Bolivian people, in addition to the crisis, also have to bear the results of embezzlement, misuse of state funds and illegal deals, all of which were manifested in the opulence of those who were the despoilers of a great democracy which hit its most shameful point during the regime of Garcia Meza.

The continuing activity of paramilitary groups is an affront to democracy and a challenge to regular agencies legally empowered to preserve public order. Therefore, we shall implacably dismantle those irregular groups, of which the Bolivian people have the worst recollection, because they are the most dramatic symbol of the oppression the people suffered for so long.

Another of our main concerns deals with the fact that our professionals should be offered more incentives and opportunities, so that they may extend their roots in our country. This will be advantageous both for them and for our country, which has an increasing need for human resources. This policy will be partly aimed at having universities perform as paid consultants in national projects for the common good, since we are sure that their contribution will not only provide professional expertise but it will also have a deep patriotic sense.

An important massive housing program for the people will also allow us to build schools and will also encourage a radical change in the philosophy of the National Social Action Board, an institution for the mere rendering of assistance, which will now engage in a broad social promotion program. In particular, the Board's management, which will be in the hands of the people, will begin by supplying a substantial increase in the quality of the diet of Bolivian children.

In keeping with our program, we enforced workers' comanagement in state-owned enterprises and we shall continue supporting this policy on the basis of studies being made by commissions.

We will stick to our policy of institutional restoration of the armed forces, making use of the armed forces' moral values. We will do this with the most strict observance of the law and without concessions to either indiscipline or authoritarianism, which have only distorted the armed forces' functions, separating them from the people at whose service they should always be.

The Bolivian Government is clearly a pluralistic regime, which, by the will of the people, has gained constitutional status. This pluralism permits us to strengthen the unity of the people, the majority of Bolivians in the struggle for attaining national goals. The Bolivian people are not interested in the indiscriminate unity of politicians who are eager to reach power as an end in itself.

The Bolivian people want the unity of popular forces whose actions may lead the people along the course of victory, of social development and of the full participation of productive forces in government tasks and in the conquest of national liberation.

Bolivia has attained a dignified international position in the wake of the restoration of the democratic process and as a result of its current policy of solidarity with all the oppressed peoples of the world. This position is part of the assertion of our sovereignty and we will sustain it because of the nonrenounceable historical demands of our people. For this we can count on the country's greatest wealth: our people. Nothing would be more senseless than to deprive our people of their freedom and of their chance to pursue their future to the fullest, and to do so with dignity and in the exercise of a right they have earned with their blood and tenacity. Those peasants, those miners, those factory workers, those humble city dwellers, those technicians and professionals are assisting us in our effort and provide us with the motivation for our exertion. I thus believe that we will move with firm strides to overcome the difficulties in 1983.

Fellow countrymen, let us, jointly with the government of the Democratic and Popular Unity, continue to strive for the country which all want to build. Thank you.

INTERIOR MINISTRY EXPELS THREE FOREIGN CITIZENS

PY300237 La Paz Cadena Panamericana in Spanish 0000 GMT 30 Dec 82

[Text] The Ministry of Interior, Migration and Justice has expelled several foreign citizens from the country for violating laws and legal rules. The expelled foreign citizens are Douglas Johns, American; Orlando Carrasco Gonzalez, Chilean, and Carlos Aguinot Dejot, Brazilian. These citizens were expelled on charges of drug trafficking and extortion.

Reacts to Expellee's Charges

PY311458 La Paz Radio Illimani Network in Spanish 1100 GMT 31 Dec 82

[Text] In view of statements made by a Chilean citizen who was expelled from Bolivia and who recently said in Temuco that he had been torturedin Santa Cruz and later expelled to Chile, despite the fact that he owns a farm in that Bolivian department, the Interior Ministry issued a communique establishing the reasons why several foreign citizens had been expelled.

The communique states that several foreign citizens were expelled from the country a few days ago because they violated the immigration law and because they had been declared undesirable and engaged in immoral habits. The communique points out that the citizens who were expelled were unemployed and that they were involved in drug trafficking and extortion.

The following foreigners were expelled: Douglas Johns, American; Orlando Carrasco Gonzalez, Chilean; and Carlos Aguinot Dejot, Brazilian.

Commenting on the statements made to the media by the Chilean citizen who was expelled from Bolivia, the Public Relations Department of the Foreign Relations Ministry pointed out that in view of the moral standards of each of the expelled persons, any type of statement against the Bolivian authorities can be expected.

COB REPORT ON ITS CLANDESTINE ACTIVITIES

PY311656 La Paz Cadena Panamericana in Spanish 0000 GMT 31 Dec 82

[Text] Today the Bolivian Labor Federation (COB) issued a summary report on the underground activities it carried out over 22 months against the military regime that interrupted the democratic process on 17 July 1980. During a press conference (Gonzalo Guzman), (Jose Maria Palacios), Aldo Flores, (Victor Lima), (Edgardo Vazquez), Genaro Flores and (Justo Perez) handed over this document to the Information Ministry.

The main portion of the document states: In welcoming the new year which will be one of struggle and mobilization aimed at the consolidation and strengthening of the democratic process which seeks national liberation, the Executive Board of the COB, which worked in a clandestine manner organizing the peoples' struggle, wishes to disclose the following report to the Bolivian citizenry:

During the dictatorship the COB struggled in a clandestine manner for: the implementation of a general and unrestricted amnesty; the return of those in exile; the release of prisoners and the end of torture and persecution; the lifting of the state of siege and radio network censorship; freedom of expression; the lifting of the ban on labor union organizations, the COB and political parties; disarmament and dissolution of paramilitary groups; the abolition of repressive organizations; withdrawal of military troops from working sites; the full enforcement of the constitution and the universities' autonomy.

PRESIDENT CALLS BENI MUTINY 'ORDINARY' EVENT

PY301423 La Paz Cadena Panamericana in Spanish 1130 GMT 30 Dec 82

[Excerpt] Among the issues brought up by President Hernan Siles Zuazo during his meeting with members of the La Paz Journalists Association was the mutiny of marines bivouacked in Trinidad, Beni Department. According to the president the rebellion was not against the government but against the local commanders who had punished some marines for getting married without the corresponding authorization. Hernan Siles Zuazo pointed out that it was an ordinary issue which undoubtedly had been solved by now.

BRIEFS

SUPREME COURT JUSTICES -- The Chamber of Deputies yesterday selected 12 justices who will make up the Supreme Court. They are Julio Urquizo and Hugo Poppe for Chuquisaca Department; German Monroy Block and Adan Soria Deiz Canseco for La Paz Department; Hugo Galindo Decker and Jose Decker Morales for Cochabamba Department; Antonio Paputsakis for Potosi; Remberto Prado Montano for Santa Cruz; Hugo Salvatierra Oporto for Oruro; Mario Castellanos Ossio for Tarija; Guillermo Caballero Saucedo for Beni; and Castulo Paz Castedo for Pando. [La Paz PRESENCIA in Spanish 3 Dec 82 p 1 PY]

FIGUEIREDO'S YEAR-END SPEECH STRESSES UNITY

PY310147 Brasilia Domestic Service in Portuguese 2300 GMT 30 Dec 82

[President Joao Baptista Figueiredo's year-end speech to the nation -- recorded on 29 December]

[Text] As in previous years, I have strictly fulfilled the political commitments I assumed toward the nation. The elections about which doubts were raised were held on schedule in a climate of security and freedom. The people voted in a general election for the candidates of their choice to fill almost all elective positions.

The country witnessed a great spectacle of civic maturity and political democratization. Democracy -- as is often said -- might not be of itself the most perfect regime. It is, however, the only system that gives opportunity to correct errors that have beem committed or to change courses that have been taken, and to do so in a free exchange of opinions. It is intended that democracy ensure the rule of reason in political and administrative decisions through dialogue and sound arguments.

The political geography of the country will present some changes in 1983. Important areas have passed into the province of other partisan groups. The administration of public affairs will be more divided. New political figures will participate in the responsibility of government.

The autonomy of the centers of power that have passed to other hands will be respected at the federal level in terms of their constitutional hierarchy. I will uphold the federation so that institutional harmony among the union's member states may prevail. I will demand strict compliance with the other clauses of our political pact. I will unswervingly continue to promote the collective well-being. I will steer the action of the federal government wherever its action is demanded by the public interest.

The year now ending has been politically eventful, but not only politically. A review of the events along the way shows great activity in other areas also. Consistent with its humanist inclination, the federal government expanded its activities to all those fields in which its presence was required by the social interest.

I may have not done all that I wanted, but I have done everything that was possible under the circumstances.

Poverty, even absolute poverty, is not an evil that characterizes only our times. On the contrary, it is a social phenomenon which has stricken humanity throughout history. Today the world is not only aware of that scourge, but it is also strongly determined to put an end to it. The struggle which I am now waging against poverty in Brazilian society will be intensified during the rest of my term as president.

This is not the right time to describe the gigantic work either underway or already completed in the above struggle. However, I will mention, as an example, the tremendous importance of programs such as Finsocial. It will be this kind of initiative that will permit the government to undertake its tasks with the efficiency and the broad range of coverage that the common good requires. Essential areas of governmental action have been hampered by the worsening of the financial-economic crisis. We are not dealing with a local crisis, limited to our territory. It is an international crisis, which I had the chance to describe at the UN General Assembly. A crisis which, due to its complexity and scope, cannot be overcome on the basis of conventional standards. The solution of the crisis and the normalization of the world's situation call for the creation of new categories in the area of international relations.

Forced to seek financial resources abroad in order to put impetus in its development, Brazil became by way of the loans it contracted vulnerable to disturbances of the world economy. This caused an inevitable drain of our foreign reserves. Yet those loans served to finance the investments made by public and private initiative and they helped put Brazil among the eight largest economies in the world. We should also recall that we have human resources and natural wealth that put us in a privileged position to deal with the hardships of the situation.

Even within this century, the world experienced other economic situations just as severe as the current one, and they were overcome through formulas devised under the pressure of the risks that each situation posed.

Nothing can be worse during these moments of struggle against adversity than the loss of confidence in the future or unrestrained skepticism in the public and private capacity to restore prosperity. For that very reason, nothing could be more timely than an optimistic belief, on the part of Brazilians, in the country's future, in its potential for growth; an expression of faith with no room for a morbid or catastrophic vision of a Western civilization on the verge of collapse; an expression of faith in the fact that we are confronted with a simple historical accident which will not stall the march of social progress and peace.

The idea of progress that is to be nourished is not at odds with the realistic posture that must be maintained. It would be naive to close ones' eyes to the difficult time we have been going through.

We are in a period of transition, in a period of world crisis. A period of crisis is a period for mediation. Our political meditation must not at this time be individual meditation, but a common meditation; a communion which has already been defined as the democratic way of thinking. To be authentic, the democratic way of thinking must also be a rational way of thinking, a careful way of thinking to prevent being deceived by the machinations of demagoguery and shortsighted interests.

A well-conducted democracy allows for negotiating this period of transition or crisis in which we find ourselves. The difficult task we face is a common task, a solidary effort, calling for a policy of sacrifice capable of mobilizing the strength of the nation to surmount as quickly as possible the crisis which is imposed on us from the outside.

We stand on the threshold of an era whose characteristics depend not only on they who are politically responsible but on both those in government and out of government. Joined in the brotherhood of a common effort, combining the energy and virtues of our people, we will break down the barriers that stand on the road to the future.

Galvanized by that certainty that gives me an unflagging faith in the future, I from the bottom of my heart wish all Brazilians the best of happiness in the new year whose dawn is soon coming over the horizon.

SARAIVA GUERREIRO INTERVIEWED ON FOREIGN POLICY

PY302253 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Dec 82 p 4

["Text" of "exclusive" interview granted by Foreign Minister Ramiro Sarana Guerreiro in Brasilia -- date not given]

[Text] [Question] What will Itamaraty's role be next year regarding the economic difficulties Brazil is facing?

[Answer] Itamaraty only has an auxiliary role in economic and financial matters. The main responsibility is not Itamaraty's necessarily. The Figueiredo government is a well coordinated government. We have had a normal exchange of information with the ministries in the economic area.

In multilateral organization, the GATT for instance, Itamaraty has maintained permanent representation. General positions in the multilateral field -- UNCTAD, the UN General Assembly -- have been well-defined by Itamaraty. From the operational standpoint, we also work on commercial promotion. All of this is naturally related to the country's economy in a very direct manner, and that is why we maintain a good working relationship with the economic ministries. Moreover, whatever the Brazilian Government does politically influences the general state of relations with other countries, and therefore, our foreign policy in general terms carries some weight.

[Question] In the context of this new situation, how do our relations with the United States stand?

[Answer] Bilateral relations with the United States, as with other industrialized countries, have always been very good. From the political standpoint or from the standpoint of the interest those countries have in Brazil, the Brazilian Government makes a very positive evaluation of our country's role in terms of moderation, stability and world presence. The climate has been very good. The job of the ministry, particularly our job, is to create that climate. We have many times read reports about the crisis in which we find ourselves and about the need to resort to emergency measures. The deductions are that it is necessary to change our foreign policy, that the difficulties we are facing somehow reflect the will of the U.S. Government especially, because of our foreign policy. I always thought that such deductions were ridiculous, since I know what is happening on the other side. I have always said, time and time again, that the general status of our relations with the United States is very good, that we only have some commercial controversies, etcetera, but those are routinely found in the international area. Unfortunately this is more the case in a period of worldwide economic recession which, consequently, gives rise to protectionist tendencies, even between the United States and its stronger allies in West Europe. This can be read in newspapers all the time. Obviously, it was important to maintain dialogue and it was always maintained without any inhibition on either side, at all levels, in all sectors, and without major problems, with ever more mature understanding of the fact that countries are different, that there are necessarily controversies in the economic field. And what's more there has been a perfectly objective and rational understanding on the part of the U.S. Government of our economic differences.

[Question] What about the divergencies?

[Answer] The role of the two countries in the political field is also somewhat different, and so it is only normal that differences should exist in the evaluation of a tense regional situation not only in the hemisphere but outside of it as well. It is to be understood that Brazil has a presence outside the hemisphere, not that of a great power but that of an economic, cultural and political nature, a presence that by itself does not adversely affect the vital interests of the United States. That has been understood by the U.S. Government for some time. It was understood, and the agreements are there.

[Question] Speaking on a television program in Sao Paulo, the U.S. ambassador said that Brazil ought to abandon all types of alignments -- referring to the Third World. What do you think of this?

[Answer] I think that it is the ambassador's personal opinion, although I did not hear what he said. If he said that, it was his personal opinion, not his government's. Brazil is not automatically aligned to the Third World. There are questions on which our interests coincide, for instance, on the North-South dialogue, but we have no automatic alignment with anybody.

[Question] Is Brazil's prestige shaken in Third World countries because of its request to the IMF?

[Answer] No. Deep down, if we have any influence it is, I have said more than once, because of the intrinsic merit of what we have proclaimed and because of the extent to which other nations identify their interests with ours. President Figueiredo's speech at the United Nations contained a warning, in a quite direct and frank but also moderate and constructive form, about the situation as well as suggestions for coping with it. What he said reflected the concern of developing countries. The industrialized countries viewed what he said as a constructive effort -- as the president intended.

[Question] Would this be the ideal time, when there is a world crisis, to reform the United Nations?

[Answer] I believe that in this crisis the emergency has demonstrated the need to come up with a new form for organizing the world economic system, taking into account the circumstances of the developing countries and their characteristics which today constitute dynamic factors of the international economy as well as being an integral part of that economy. For the world economic system it is, therefore, of primary importance that the developing countries can continue to be factors of expansion. This would imply a long-term effort in negotiations, and it would prevent the total vulnerability of the developing countries. Efforts are needed to lay down norms in areas such as basic products, preferential treatment regarding tariffs and commerce, the question of transfer of technology in a more generous manner by countries that are leaders in technological innovations. In sum, I believe that the emergency demonstrates that the situation would be less serious if we had a new international economic order giving more consideration to developing countries.

[Question] Brazil has held that position since Cancun. Is this your personal position or that of the president?

[Answer] As I said in Cancun, that is the government's position, because I did not invent what I said. Already at that time we pointed out that there were 25 million jobless in industrialized countries, nearly 30 million today. Those unemployed could be working to produce equipment and products that developing countries need. Thus unemployment would be reduced in industrialized countries and at the same time there would be a consumers market for products in developing countries. But the task of reorganizing the world economy is an extremely difficult one, extremely difficult.

[Question] What is the possibility that such a reform will be implemented?

[Answer] Apart from the general concept, it is obvious that an evolution in the thinking and policies of industrialized countries is taking place in order to meet the difficulties and that this evolution involves pragmatism based on circumstances. The increase of the contribution to the IMF is a good example. We do not want the abolition of traditional organizations, but rather some changes that will take general interests into account. In Cancun I pointed out that the financial capacity of the IMF when it started operating represented 16 percent of world trade. Nowadays it represents less than 4 percent. When one refers to a new economic order one refers to the concept. It doesn't mean that there should be a sudden revolution and that the 150 countries should agree on a change which may alter all these organizations. What is sought is a new economic order that will take into account the difficulties of the developing countries.

[Question] But it seems that the so-called "group of rich countries" is not very impressed with the appeal for this new order, is that not correct?

[Answer] It is natural that the highly industrialized countries will look with a certain suspicion on an idea whose implications, at first sight, will involve losses for them.

The European countries talk much about the North-South dialogue; they accept the idea. We say that in doing that they are seeking refuge behind the United States. And that is rather understandable. The important thing is that little by little they come to accept the idea. If they desire, it need not be called new economic order. Brazil's position will favor all and will enhance international trade. The world economy will reach a higher level of production and distribution of wealth.

[Question] In New York Minister Galveas voiced his hope that countries such as Argentina, Nigeria and Mexico, which play an important role in our trade balance, will experience a recovery. Does Itamaraty see any symptoms of an economic recovery in those countries?

[Answer] It doesn't see any symptoms of recovery, but it has the impression that the bottom of the pit has been reached and it is almost impossible to emerge from it without serious disturbances. When there is an emergency, a mobilization such as the current one is carried out. There is no reason to be excessively optimistic, but neither is there any reason to believe that this extremely difficult situation will become a disaster.

[Question] The Eastern European countries and the Soviet Union complain that Brazil does not trade enough with them. Are there any chances now of some changes in this regard?

[Answer] We are interested in exploiting any possibility in any area. It is not a case of making an abstract choice, but of a normal, practical need which we will exploit with greater or lesser intensity depending on what we produce, on competitiveness and on the trading organizations. In the case of the Eastern European countries, they are administered by the state, which depends very much on specific contracts that are drawn up from time to time. In other cases our products reach those markets through important international firms. The Soviet Union has just purchased 500,000 tons of sugar at a give-away price since this product is facing its worst moments. This purchase has taken care of Brazil's exportable surplus sugar production. We have no big problems with the Eastern European countries since there is always a large surplus in our favor in the trade balance. But since those countries' trade is administered in order to prevent the trade balance from becoming indefinitely negative -- it is the government itself which is importing -- a government may want to cut down its purchases from a country which is not buying from it.

[Question] Has the trade balance with those countries been favorable?

[Answer] The surplus in our favor has been large. Trade exchange with Poland has been the exception due to the sales of coal and sulphur which have complemented each other. But trade exchange with the other countries has resulted in an extraordinary surplus in our favor. This, to some extent, dampens our increase in trade, dampens our exports. It is just a matter of Brazil offering the products that they need, because neither party has any intentions of hindering trade. But neither is there a policy that will lead to an artificial trade -- by which those countries buy from Brazil merely to help us survive. This is not the case from the political point of view.

[Question] The socialist countries also complain that you have not visited them. Do you have any visit scheduled for the Soviet Union, for example?

[Anwer] I have no problem, it is just a matter of priorities. During the UN General Assembly I met with the foreign ministers of the Eastern European countries and even the Soviet Union. On our part there are no problems.

We have had the opportunity to discuss current international problems in an informal way, but there really has been no chance to visit Eastern Europe. But on our part there is no basic problem and I believe it is right for us to think this way since public opinion is starting to view our relations with all countries in a more mature way. The issue is how are these relations handled and with what objectives. I believe that public opinion is aware of this. I do not know if the newspapers are aware of it, but the people are.

[Question] You mentioned priorities. What are they?

[Answer] Our permanent priorities are South America and Africa. We also have priorities regarding industrialized countries and this is a big job. President Reagan's visit has created a better atmosphere in relations on both sides. We have noted this improvement very clearly regarding the United States. What is more, it is not in the financial field only. We have noticed an excellent disposition to cooperate within the limits and guidelines of the legislation of the two countries.

[Question] There is some concern over a possible military-industrial agreement with the United States. Will this limit our arms industry?

[Answer] There are two things to be considered here. There may be interest, and I do not know why it should not be feasible, but it should be based on an objective and thorough study. There is an interest in Brazilian industry in using U.S. spare parts and patents. And there is a good disposition from the United States in this regard, which could be useful for some Brazilian sectors. Obviously all this must be done objectively. It is also clear that the military industry in Brazil makes sense only if it is for export, because we have no national arms race program that may justify an industry of modern technology.

[Question] When will Brazil officially recognize the installation of a PLO office?

[Answer] We already recognized the PLO years ago as what it really is, a national liberation movement. But we did it only after it was recognized by a regional intergovernmental organization -- the Arab League -- and by the United Nations. Now, what is a national liberation movement? It is a political movement. We then recognized the PLO as a political movement whose purpose is the creation of a state, which could eventually become a sovereign state. We accept this hypothesis and we must support it publicly, just as the Reagan plan has proposed a federation or confederation with Jordan. The decision must be made by the Palestinian people. They may decide favorably. That is not our business but theirs. We recognize the PLO as a national liberation movement. But installing an office with diplomatic status in Brazil would make no sense, because the PLO is not a state.

[Question] The resumption of diplomatic relations between Brazil and Cuba has been thoroughly questioned. What can you tell us about the matter?

[Answer] There are no restrictions. In my answers to the other questions, you have noted that I have always spoken respectfully of other governments. Anyone may personally dislike a regime. But, from the viewpoint of relations between states, we are in a way tied to very precise rules, because we are basically interested in coordinating our actions with our peers. Therefore, we are concerned whenever a state, in one way or another, interferes in the internal affairs of another state.

In the case of Cuba, there were interfering actions and stances in the past and, still today, many countries with which we maintain good relations charge that the Cuban regime sponsors those actions and stances. For us, it is very difficult to maintain relations -- based on mutual confidence -- with a country that follows that kind of policy. This has hindered the resumption of relations. Actually, as years go by, the statements by the Cuban leader appear to be at least much more moderate and circumspect. We have undoubtedly separated the two things. We have respected Cuba's right to self-determination. That is not our business. If Cubans want a socialist society in their country, that is their problem. But there is still the impression, the conviction, that there is Cuban militancy abroad, and this involves a kind of interference in the internal affairs of other countries. We maintain cordial relations with other countries although we clearly disagree with their foreign policy, as in the case of Israel and South Africa. But we also state very clearly our differences and, several times, our critical opinions. In the case of Cuba even reaching this point has been difficult, because a really key issue is at stake, above all from the Latin American viewpoint. Had it not been a Latin American country, had it been farther away, things might have been different.

FINANCE MINISTER DENIES MORATORIUM REQUESTED

PY301414 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 30 Dec 82

[Text] The Central Bank has denied rumors that Brazil has asked for an 8-year moratorium from foreign banks. The rumor was circulating yesterday but it was denied by the Central Bank and by the Finance Ministry as well.

The Central Bank released an official note saying that the rumors refer only to the implementation of Project No 2 for the payment of the debt in 1983 proposed in New York. The objective is to facilitate the automatic renewal, beginning on 1 January, of operations with foreign banks which have accepted the proposal presented at the meeting held in New York on 28 December.

Finance Minister Ernane Galveas termed these rumors stupid and subjective. He said the rumors could have emerged from the [words indistinct].

Some of the rumors that were circulating also indicated that the finance minister had submitted his resignation and that it was not accepted by President Figueiredo.

FIGUEIREDO DECREES NUCLEAR RESEARCH MONOPOLY

PY301408 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 30 Dec 82

[Text] A decree signed by President Figueiredo establishes a federal government monopoly on the development of research in the nuclear energy field. The scientific community had been expecting this decision by the government after the recent transfer of the Sao Paulo Atomic Energy Institute to federal control. According to the decree, any institution will be able to carry out research in the nuclear field, but only through an agreement with the National Nuclear Energy Commission.

PINOCHET'S YEAR-END SPEECH CENTERS ON ECONOMY

PY311453 Santiago Domestic Service in Spanish 0037 GMT 31 Dec 82

[Text] Fellow countrymen, as we approach the end of 1982 and as in previous years, I wish to convey to you the government's greetings and best wishes and hope that the new year will bring happiness to each of you and your families.

In reviewing the year that is ending, we have taken note of the great effort that Chileans have had to make to confront the difficult economic situation which is the consequence of a serious world crisis and which has had a strong impact on our economy and has forced us to adapt to hard reality. The unemployment rate has been high, production and export sectors have experienced a drop in prices, the productive sector has faced strong restriction on investments in addition to having to meet its commitments.

At no time has the government concealed the truth of the situation. Quite the contrary, it has insisted that everyone must assume a realistic attitude in keeping with the country's general welfare. At the same time the economic team has pragmatically made adjustments which it deemed necessary to confront the problems.

We have already started to witness the benefits of these adopted measures which are reflected in the balancing of the trade balance, the reactivation of the export sector, the improvement of the industries that compete in the domestic market with imported goods. All this generates a significant increase of jobs.

The new impulse given to the exporting sector will achieve its full objectives in a medium term and for this it will need the determined cooperation of workers and businessmen.

The government is deeply aware of the problems that the workers, businessmen, professionals and merchants are confronting. Moreover, the government has always been sincerely and openly willing to analyze the problems in order to seek adequate solutions. However, the government has always taken into account the problem of adopting outdated decisions that might cause inconveniences and also the attempt of some people to do away with a stroke of the pen such important achievements as the opening of our economy to foreign trade and a balanced budget.

A number of measures that help the low income sectors in a direct and effective manner have been implemented successfully in order to cushion the social effects that economic difficulties create. We have thus contemplated the plan for minimum employment, programs for the heads of families, additional subsidies for the hiring of labor, subsidies for unemployment and others from which more than 500,000 Chileans benefit. Our special plan for family allowances for extremely poor minors, which has aided some 420,000 dependents in 1982, must also be taken into account.

The government's social expenditure during 1982 represented 58.3 percent of its fiscal expenditures. This represents an increase of more than 4 percent over last year and once again proves the government's constant concern about low income groups.

The government thus responds with concrete deeds and programs, adjusted to reality and national capabilities, free of false promises, sterile words and demagogic offers.

The existence of an effective and adequate social service has allowed those sectors most affected by the crisis to have everyday necessities.

However, I want to point out that the difficulties we are enduring are transitory and by no means compromise our development strategy nor the constitutional program which we have established during the past few years.

Political chicanery led the nation to experience the disintegrating action of communism and to experience, in its own territory, the tactic of infiltrating organizations and destroying the basic institutions of our society with a persistent tenacity. Those biased sectors that try to take advantage of any event or institution to achieve their mean political purposes will be, once and again, repudiated by the great majority of Chilean citizens who are aware that their clear objective is to do harm to the fatherland and sow rancor within the Chilean family.

Once again I remind my fellow countrymen that the armed forces and the police, on taking over the government, responded to the repeated clamor of the citizenry who were defenseless in face of the attempts to submit them to Marxist totalitarianism which destroys man's basic freedoms. Nobody can forget that since the events of 11 September 1973 the country has made important advances. Thus we have sovereignly given shape to a new institutional system based on freedom without demagogy, without violence and fighting among brothers, freedom so that everyone can choose his own destiny, educate his children, practice his creed and beliefs, manage his property, progress and enjoy true peace and dignity.

I believe that it is necessary on this date to remind the citizenry of the sacred purpose which inspired the armed forces so that the citizenry can understand that all that was done here was directed at eliminating once and for all the threat of Marxist ideology and its effects on our people.

We are occupying an outstanding place in the ideological war that the West is fighting against the enemies of freedom. Chile has defeated Soviet imperialism with determination and courage. We must defend that position day after day, and even more intensely in these difficult times.

I believe that no government has been more unjustly attacked than the present one, and this because of the consequences of an independent administration without foreign and subordinate interests.

Thus, there are some Marxists and outdated politicians who thought that they had seen in this difficult situation we are experiencing the ideal opportunity to create a climate of agitation in several national areas, to stir up the country, and if possible, lead it to chaos, thus seeking satisfaction for their own purpose. But they can rest assured that their pretensions will not prevail.

The government and the citizenry are aware that the current economic situation in the country should be placed in its correct perspective because the sacred values of the fatherland and the objectives we have sovereignly outlined are beyond the immediate interests of the difficult moment.

Today I want to reiterate to all the country that the government will not change the objectives which the Chilean people have freely and sovereignly chosen and will maintain its staunch decision to consolidate and achieve the task underway during the past few years.

You can be certain that the monolithic unity of the armed forces and of the forces of order, together with the great majority of the citizens, will help us achieve with success the objectives we have set for ourselves.

We will consolidate the political, social and economic system that, inspired by the purest republican and democratic tradition, will lead us to the future with security, freedom and justice.

We will continue strengthening the new institutional system, the path on which we will walk firmly and serenely but without haste, as provided for by the 1980 Constitution, which is correctly called the constitution of freedom.

This year we have held the meeting of the neighborhood councils which has allowed us to reiterate the government's purpose to consolidate a democracy that will favor the participation of citizens in the community and commit them to their own future.

In 1983 we will continue under the climate of order and tranquillity, and we will continue studying the promulgation of the basic laws which complement the internal management of the state and its institutions. The contribution of the social sector will allow us to examine concerns and anxieties in order to issue the rules that will benefit the entire nation.

Fellow Citizens: On behalf of the government and of myself, at this end of the year, I want to express my recognition and gratitude to those who have helped us fulfill our mission, those who make up the great majority of the citizenry, who have given us their generous contribution and who have contributed in an exemplary manner to the progress of our fatherland.

The year that begins will bring along new demands and new challenges, but the courage of all will be there to overcome them. Have no doubt that the effort and work carried out during the year that now ends will make reactivation possible and will permit in a medium term to regain the path of development, on which we had been walking before suffering the effects of a world recession. The government will do everything necessary so that the problems stemming from the current economic situation will affect the country as little as possible.

I am distressed by the situation of the homes that have been most badly hurt by the crisis. I tell you that I will tirelessly seek solutions in order to have your most pressing needs met. We shall maintain our policy of assistance to the poor and we shall extend our aid to the professional sectors, which have been badly hurt by unemployment.

This is why we have earmarked a higher portion of the budget for social expenses, placing direct emphasis on specific education, housing, health and labor programs. In addition, we shall coordinate our social actions in order to eradicate poverty and favor the low-income sector.

Chileans: I am now with you in the privacy of your homes, on the eve of a new year. I take advantage of this situation to express to you my faith and my confidence in the future of our country. Still feeling the Christmas spirit of love during this period of reflection before a new year that is about to begin, I ask Almighty God for His blessing for our fatherland, and I also call upon my fellow countrymen to strengthen national unity, to await with optimism the future of the nation, to continue with determination the struggle to achieve progress and to join efforts in the pursuit of the noble national cause of enhancing the greatness of Chile. Good night.

NO INFORMATION ON ARGENTINE PLANS ON DISPUTE

PY310124 Santiago Domestic Service in Spanish 2200 GMT 30 Dec 82

[Excerpt] The Chilean Government has no official information about Argentina's intention to settle the southern border dispute, Foreign Relations Under Secretary Ernesto Videla has stated. Videla made this statement in response to a report from Buenos Aires to the effect that Argentina intends to resolve the dispute before the new civilian government takes over.

PUTUMAYO INTENDANT TALKS TO M-19 LEADERS

PA022017 Bogota EL TIEMPO in Spanish 28 Dec 82 p 120

[By Edison Parra G.]

[Text] Pasto, 27 Dec -- Jorge Fuerbringer, intendant of Putumayo, was authorized by the government to hold a 4-hour dialogue with members of the 19 April Movement, M-19, High Command, from whom he presumably received a Christmas message for President Belisario Betancur.

On 20 December Intendant Fuerbringer met with the M-19 somewhere in the Putumayo jungle, 12 hours from Mocoa. The intendant met with Ivan Marino Ospina, second commander of the organization; German Rojas Nino, commander of the southern front; and Marcos Chalita, chief of the column operating in Caqueta. It has been learned that the guerrilla organization's national command sent President Betancur a message recorded on two cassettes.

Meanwhile, EL PUTUMAYO, a bimonthly publication with headquarters in Mocoa, will start circulating this Tuesday. It will carry an interview in which intendant Fuerbringer discusses his conversation with the M-19. According to Fuerbringer, the members of the M-19 High Command with whom he talked "do not share Marxist ideals, much less Leninist ideals. They are staunchly nationalistic and reject foreign doctrines. They believe that theirs is a Colombian nationalist ideology, which distinguishes them from other guerrilla groups." Intendant Fuerbringer continued. "They are adamant about their nationalist way of thinking, which permits them to admire the efforts made by President Belisario Betancur, whom they consider sincere and well-intentioned."

When asked if this dialogue with the guerrillas could cause him problems in his political and administrative duties, Fuerbringer replied: "By no means, since the government and the guerrillas must have some sort of dialogue. It is necessary for those who believe underdevelopment problems cause unrest to reach, from different angles, an agreement on the way to eliminate the sources of unrest."

The M-19 also suggested joint action to create jobs for those currently unemployed so that they can develop traditional crops that will replace the cultivation of coca.

FIVE M-19 GUERRILLAS, ONE SOLDIER DIE IN CLASH

PA022157 Paris AFP in Spanish 2043 GMT 2 Jan 83

[Text] Bogota, 2 Jan (AFP) -- One soldier and five guerrillas of the M-19 [19 April Movement], an extreme leftwing-nationalist group, died in Colombia today in the first armed clash of this year, the Radio Cadena Nacional station reported in Bogota, citing military spokesmen. The source added that the clash occurred near Puerto Asis, on the banks of the Putumayo River in the jungle intendancy of Putumayo on the border with Ecuador, some 700 km from Bogota.

Following an ambush set by the M-19 against an army patrol that left one soldier dead, the Boyaca Battalion launched a counteroffensive, which led to the clash in which five guerrillas, including a 20-year-old woman, were killed. The radio station indicated that four rifles, a large amount of ammunition and field equipment were found on the dead guerrillas.

Last year there were many clashes in that remote region between guerrillas and the army, which maintains several detachments there despite the amnesty decreed by the government for the guerrillas.

LANDAZABAL DENIES MILITARY LINKS TO MAS

PA301922 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 30 Dec 82

[Text] Bogota -- Defense Minister Fernando Landazabal Reyes has again stated that the military forces cannot be held responsible for the existence of the Death to Kidnappers, MAS, organization. He added that these accusations do not serve the cause of peace; on the contrary, they help subversion a great deal and tarnish our institutions.

On an interview granted to COLPRENSA [Agencia Colombiana de Prensa], General Landazabal Reyes said that we must clarify this beyond any doubt whatsoever; otherwise the nation would feel that we, the very organizations it has created to ensure its survival, are failing it in a serious matter. The defense minister believes that the name MAS is used by several groups of hired assassins who are paid by people who have been subjected to blackmail, kidnapping or threats. The subversive organizations, in turn, use the MAS to discredit the army. Even though these charges have been made, no one has been able to accuse the lowliest soldier or the loftiest general -- or any intermediate member of the military -- of having hampered the peace process in any way. To close, Landazabal Reyes said: We of the armed forces reject these accusations, which deeply offend our moral upbringing.

GOVERNMENT MOVES TO HAMPER COCAINE PROCESSING

PA300230 Bogota Cadena Radial Super in Spanish 0000 GMT 30 Dec 82

[Text] Bogota -- In order to exercise maximum control over imports of some of the products used in processing cocaine, the Foreign Trade Council today included several of these ingredients on the list of products requiring previous authorization. Here are the products listed: ethyl ether, solvent acetone, varnish-diluting compounds, and hydrochloric acid. The council also ruled that effective today, applications to import these products must be accompanied by an import-authorization certificate from the national drugs council.

BRIEFS

AGRICULTURAL FUND BUDGET -- The national government, through the Monetary Board, has set the 1983 budget for the Agricultural Financial Fund at 53 billion pesos. A resolution in this regard states that the 53-billion peso credit program for the 1983 Agricultural Financial Fund will include short-term, medium-term and long-term credits. [Bogota Domestic Service in Spanish 1730 GMT 28 Dec 82 PA]

HURTADO ON CIVILIAN 'PLOTTERS,' MILITARY'S ROLE

PA021418 Buenos Aires LATIN in Spanish 0700 GMT 2 Jan 83

[Text] Quito, 2 Jan (LATIN-REUTER) -- Oswaldo Hurtado, only 20 months away from completing his constitutional term as president of Ecuador, has accused civilian sectors, which he identified only in general terms, of being "plotters and coupists." In an interview granted to EL DIARIO DE HOY, President Hurtado said: "There is no single social gathering that armed forces officers can attend without some civilians trying to incite them into plotting to overthrow the constitutional regime."

Ecuador's democracy has been in effect for 40 months. In August 1979, a decade of military dictatorships ended when a civilian government headed by Jaime Roldos was installed. Roldos, who died in May 1981 in a plane accident, was replaced by Hurtado. Hurtado, who at the time of the accident was an elected vice president, has said: "My goal was not to be president. My arrival at the presidency was the result of an accident. I would say that I suddenly found myself president."

In identifying the civilian plotters, Hurtado said: "Failed technocrats, politicians and businessmen are willfully engaged in this activity. Nevertheless, the armed forces have been absolutely loyal to the constitutional regime." Hurtado said: "The military men have practiced institutional loyalty rather than a personal-type loyalty which means that they will maintain the same position toward the next constitutional president. The plotters are civilians. They are the coupists."

In Ecuador, 1983 will be an election campaign year in preparation for the 2-round presidential election of 1984. The presidential succession will take place in August 1984.

Hurtado predicted that "Ecuador will be directed by center and center-left presidents for a long time." The president dismissed the possibility that the right will gain power although he admitted that "it is difficult" to make predictions in this regard. He noted: "The Ecuadorean people have been going through a behavior modification [as received] process for the past decade. There is a maturity process that invalidates traditional election factors." According to Hurtado, "the economy is the government's only serious and fearsome adversary." Hurtado said that there are opposition sectors, including businessmen and politicians, that "represent two problems." He stated: "It is very important to know the context that some business leaders and politicians have used to analyze and understand complex situations. Some business sectors believe that Christian Democracy (People's Democracy in Ecuador) is their adversary."

'INTERESTING' OIL SALE DEAL WITH USSR IN OFFING

PA302020 Quito Voz de los Andes in Spanish 1130 GMT 30 Dec 82

[Text] Orlando Alcivar, the minister of industries, commerce and integration, has said that one of the most interesting contracts that Ecuador might enter into is an oil contract with the Soviet Union. Alcivar said that he learned from a conversation he held with the natural resources minister that there is a possibility of selling 30,000 barrels daily, instead of only 18,000. Last week a CEPE [Ecuadorean State Petroleum Corporation] official went to New York to discuss the subject with Soviet representatives. However, when CEPE manager Rear Adm Raul Jaramillo was interviewed later by newsmen he did not mention this trip to New York. He said that, taking advantage of a trip to Europe as a member of the Ecuadorean delegation to an OPEC meeting, the CEPE assistant marketing director went to Germany [not further specified] and discussed the mechanisms of a four-party oil sale deal involving the Soviet Union, Germany, Ecuador and Cuba.

PAPER ATTACKS ARBITRARY USE OF AUTHORITY

PY292342 Asuncion ABC COLOR in Spanish 26 Dec 82 p 8

[Editorial: "It Is Necessary To Put an End to Arbitrariness"]

[Text] Our correspondent in Luque, Ramon Santiago Moreno, regained his freedom on Friday at noon. He was detained, held for 129 days and set free without knowing the causes of his misfortune.

If on exercising our minds we decide to verify the results of the many arrests imposed on different occasions on persons when the excuse of preserving public tranquillity and social peace or of safeguarding certain legal elements was used -- Article 79 -- we will find that on many of these occasions, or in most of these cases, these measures simply led to nothing. One fine day these measures were suddenly withdrawn from the affected person, and nothing happened: There was no legal cause for the arrest, and no disturbance to public order or anything like it was turned up either. These measures simply ended...

This situation causes us to wonder what they are trying to prove each time some authority acts arbitrarily or when he adopts very extreme measures in view of episodes or circumstances which then turn out to have no significance at all.

The state of law; democracy; the harmonious functioning of the state branches; the peace which is said to exist in the country are not in keeping with the abuses we refer to. On the contrary, these events discredit and categorically deny all these benefits of society. It can be said that it is even more serious when this situation arises when these measures are adopted, not in the name of any public interest, but simply for the benefit of some very peculiar interest or whim of someone who might have a little authority.

All these things reveal that each citizen is vulnerable at any moment to becoming a victim of an evil which can last either a few days or years, or can even lead to injury and death. And this evil can have repercussions on the members of his family.

The state's right and duty to adopt the measures authorized by the law are not denied but affirmed, whether it involves fighting crimes or preventing them, or preventing changes in public order. But the need that the exercise of that duty always be correct emerges precisely from the affirmation of that right and duty. They should never be interpreted as arbitrariness or the use of authority with objectives that have nothing to do with the law or with the defense of public order and tranquillity. Any citizen or inhabitant who does not violate the law or does not do anything to alter public order must have in our country, and in any other country considered to be a state of law, full guarantees that no one will fail to respect him.

These are precisely the differences that must exist between democratic and communist countries, where violations of the respect for human rights are common practice and where they are used to intimidate the citizens.

Therefore, the problem does not lie in preaching an anticommunist faith, but in showing it continuously with deeds and not by using its methods.

BELAUNDE MAKES NEW CABINET APPOINTMENTS

PY021941 Paris AFP in Spanish 0210 GMT 2 Jan 83

[Text] Lima, 1 Jan (AFP) -- It was officially reported here tonight that President Fernando Belaunde's second cabinet, headed by Fernando Schwalb, will be sworn in on Monday at noon local time (1700 GMT). The ministers who will make up this cabinet are as follows:

Prime and Foreign Minister	Fernando Schwalb
Interior Minister	Fernando Rincon
Justice	Armando Buendia
Economy, Finance and Commerce	Carlos Rodriguez Pastor
War Minister	Gen Oscar Brush Noel
Navy	Vice Adm Jorge Dubois Gervassi
Aeronautics	Gen Hernan Boluarte
Health	Juan Franco
Agriculture	Mirko Cuculiza
Labor	Alfonso Grados
Housing	Javier Velarde Aspillaga
Transport and Communications	Carlos Pestana
Mines and Energy	Fernando Montero Aramburu
Fisheries	Luis Percovich Roca
Industry, Tourism and Integration	Gonzalo de la Puente y Lavalle

The name of the education minister was not officially mentioned but it is understood that Jose Benavides Munoz will continue in his post.

In the organizations where the heads have the rank of minister, the following leaders were designated: Rene Deustua Jameson at the National Planning Institute; Miguel Alva Orlandini at the National System of Social Communication; and Enrique Paredes Benavides at the National System of Popular Cooperation.

This cabinet will replace the one presided over by Manuel Ulloa Elias which, with some readjustments, had accompanied Belaunde since he assumed power on 28 (?February) 1980.

Nevertheless, the ministers of labor and housing, who have been in their posts since 1980; of education, who was designated in 1981; and those of industry and health, who were designated last year, will remain at the head of their ministries.

ARMED FORCES ASSUME CONTROL IN 5 PROVINCES

60-Day State of Emergency

PY301358 Lima Radio Union in Spanish 1130 GMT 30 Dec 82

[Text] Last night the armed forces assumed control of internal order in five provinces of Ayacucho Department, one province in Apurimac and one in Huancavelica.

The order was given by President Belaunde Terry since he did not receive a positive answer to the ultimatum he gave the members of Shining Path.

The chief of state signed a supreme decree in Lima that declares a 60-day state of emergency as of today in the Provinces of Huanta, Laramate, Cangallo, Victor Fajardo and Juamanga in Ayacucho Department; Andahuaylas in Apurimac Department and Angaraes in Huancavelica Department. The preamble of this decree states that this measure has been taken due to the increasing violence in the mentioned areas and in compliance with provisions of the Constitution, which in Article 12 [word indistinct] the armed forces assume control of internal order in those provinces.

Political Parties Protest Mobilization

PA310435 Havana International Service in Spanish 1800 GMT 30 Dec 82

[Text] The Peruvian American Popular Revolutionary Alliance has voiced its concern to President Fernando Belaunde Terry regarding the possibility that the military and police forces sent to the Andean region of southern Peru, where the clandestine armed group Shining Path is very active, might commit abuses.

The Peruvian Communist Party warned that popular struggles will increase to the same degree that the crisis in the country and government becomes more serious and to the degree that repression, using antiterrorism as a pretext, increases.

Jose Fernandez Salvatecci, a retired Peruvian Army major, said that the intervention of the army in seven provinces in Ayacucho Department and also in Andahuaylas, [name indistinct], Apurimac, and Huancavelica is a national tragedy.

Shining Path Issues Ultimatum

PY301710 Paris AFP in Spanish 1525 GMT 30 Dec 82

[Text] Lima, 30 Dec (AFP) -- It was learned today in Lima that the extremist group Shining Path yesterday gave a 24-hour ultimatum to the government to withdraw the military troops from the region of Ayacucho, which has been stirred by political violence. Meanwhile, terrorist commandos for the second time blew up the bridge over the Pampas River, isolating several villages in the zone.

Yesterday, a few hours after the deadline of the ultimatum given by the Peruvian president, a commando group of six persons, including two women, raided the radio station La Voz de Huamanga and broadcast a message in Quechua and in Spanish asking for the withdrawal of the troops and announcing that the group will respond to repression with weapons.

The message harshly criticized the government's economic policy, which keeps thousands of peasants in misery, adding that the peasants make up the living forces of the armed struggle in the current stage. The message went on to state that only Belaunde's government will be responsible for the blood to be shed. Then the message added: We have taken up our weapons, and we will keep them to the ultimate consequences. Our cause is that of the people and we are sure that the struggle will be lengthy and bloody, but in the end, the cause of the great majority will prevail.

The bridge, built to replace the previous one dynamited in the beginning of December, is located 140 km from Ayacucho, a city at war where the well-supplied armed forces were put into action yesterday to eliminate the bitter violence. The armed forces extended their range of action to other provinces of the Departments of Apurimac and Huancavelica. The bridge that was destroyed connected Ayacucho with several provinces in the Departments of Apurimac -- especially Andahuaylas Province, one of the centers of terrorist action -- and Cusco. The subversive group also shot to death near the bridge a civilian whose identity is not known.

In Huanta, another group of alleged terrorists dynamited the Vigil education center building, causing significant property damage. It was also said that the troops deployed to this province have already begun an operation to find out where the guerrilla bands are located in the province.

It was also said that the city of Ayacucho began a new day with no serious incidents and that the arrival of war materiel and supplies has been intensified.

New contingents have arrived from the capital in addition to at least 100 soldiers from Huancayo, 311 km southeast of Lima. Moreover, hundreds of persons are trying to leave Ayacucho by all means, and so the passenger air transport service has been increased from that zone. The situation grew worse this morning when the two flights to Ayacucho were cancelled because a disabled airplane was blocking the Ayacucho airport's landing strip.

First Clash Reported

PY311727 Paris AFP in Spanish 1543 GMT 31 Dec 82

[Text] Lima, 31 Dec (AFP) -- Ten terrorists from the Shining Path group were killed and three policemen were wounded on 30 December in Jaccamarca in one of the first clashes since army and police forces took control of seven provinces of three departments in southern Peru.

Despite the censorship imposed by the command of political-military control, a newspaper in Jaccamarca, a locality 126 km southeast of Ayacucho in the southern Andean region, reported that a group of presumed terrorists ambushed a patrol of Civil Guard Sinchis (antisubversive force) in the area and that the attackers fled after fierce fighting. In turn, other newsmedia reported other clashes in the localities of Hualla, Huancaraylla, Huancapi, Pampas and Luricocha, in Ayacucho, giving wide coverage of the rapid occupation of the Victor Fajardo, Cangallo, La Mar, Huanta and Huamanga Provinces in Ayacucho Department, Andahuaylas in Apurimac and Angaraes in Huancavelica. Police and army forces have full control of access roads to the city of Ayacucho, while the Alfredo Mendivil Airport has been occupied by the air force.

No Shining Path actions were reported in the last 24 hours, after terrorists, in a daring action, seized the La Voz de Ayacucho radio station and beamed an ultimatum to the government demanding that the army be withdrawn in 24 hours from the area.

Approximately 50 reporters stationed in Ayacucho, a city in a state of war, complained that they face difficulties in their work because the military command has closed all information channels because of the state of emergency and because of strategic and security reasons. A photographer from the Lima LA REPUBLICA newspaper, who left the military zone, was detained by army personnel. However, he was released later after a strong protest by his colleagues.

Havana: 'Uneasy Calm' in Ayacucho

PA011510 Havana International Service in Spanish 1600 GMT 31 Dec 82

[Text] An uneasy calm and a noticeable reduction in commercial activity are being experienced in the Peruvian city of Ayacucho after the armed forces assumed control of seven provinces in the southeastern Andes in Peru. So far there haven't been any reports of clashes between the armed groups active in the region and the Peruvian soldiers who were earlier deployed throughout the region to man some of its vital spots.

Curfew Hours Reduced

PA012113 Havana International Service in Spanish 1800 GMT 1 Jan 83

[Excerpts] The political-military command of the southern Andean region of Ayacucho has reduced the curfew by 2 hours in that area, where a state enterprise for the marketing of coca leaves was attacked.

A communique signed by Gen (Clemente Noel Moral), commander of the troops sent to the area, states that the army does not want to harm civilians and only wants to restore order and the citizens' freedom to exercise their rights.

According to other reports, Fernando Rincon (Paso), who is virtually the new Peruvian interior minister, said in Lima that his top priority will be to restore order in the country.

President on Troops

PA030229 Havana International Service in Spanish 0000 GMT 3 Jan 83

[Text] Peruvian President Fernando Belaunde Terry has stated that he expects that the presence of troops in the strife-torn Ayacucho region will be a deterrent factor for armed groups operating there. However, he did not rule out the possibility of clashes.

During his Sunday news conference, Belaunde Terry played down the importance of a series of attacks reported on the night of 31 December but noted that because of the threat of actions of this kind he spent new year's eve on duty at the government palace. He added that the troops have limited themselves to taking over Ayacucho and to establishing a logistics and transportation system that permits them to go anywhere in 30 minutes, but he warned that there have been minor clashes between the police and armed groups.

Other dispatches disclosed that three people were killed during the curfew in Ayacucho, while the Shining Path group occupied a radio station in Arequipa and announced the opening of a new front in that region located 1,000 km south of Lima. The explosion of two bombs at an Ayacucho garrison was also reported. These bombs caused no damage. It was further reported that Shining Path pamphlets were distributed at the local market in that city. Meanwhile, dozens of youngsters were arrested because they were not carrying any documents.

VENEZUELAN RESTRICTIONS CAUSE ECONOMIC LOSSES

PY291636 Lima EL COMERCIO in Spanish 18 Dec 82 p A-16

[Text] The restrictions imposed by Venezuela on Peruvian products, which are included in the Cartagena agreement, will cause economic damage amounting to $5 million beginning next year. This report was released by Deputy Integration Minister Jorge Gonzalez. He indicated that this loss amounts to 12 percent of the overall Peruvian exports to Venezuela. The protectionist measures, which Venezuela has been imposing since the beginning of this year, have resulted in the failure to sell Peruvian products estimated at more than $9 million.

Gonzalez stated that the measures adopted a few days ago by Venezuela will affect Peruvian products such as bicycles, plumbing fixtures, floor tiles and ceramics. The protectionist policy Venezuela has been implementing is imposed in three different ways: By restricting a list of products; by increasing tariffs; and by accepting articles subordinate to the decision of the executive branch. "These measures make sense as long as they are applied to third countries and not to members of the Andean Pact. The exports of Peru and in general of Gran [Andean Regional Group], are in fact minimal compared to those of European countries," he added.

GOVERNMENT PUBLISHES OFFICIAL 1983 BUDGET

FL011710 Mexico City NOTIMEX in Spanish 0040 GMT 1 Jan 83

[All figures as received]

[Text] Mexico City, 31 Dec (NOTIMEX) -- The official gazette today carried the Federation's expenditure budget for the 1983 fiscal cycle amounting to 2,778,799,116,000 pesos (approximately $29,049,000,000). The budget covers the Presidency of the Republic, offices of the executive branch, contributions to social security, additional payments and regional promotion for the next year.

The Presidency of the Republic was allotted: 3,631,696,000 pesos (approximately $37 million); the [Secretariat of] Government: 8,714,876,000 pesos (over $90 million) and the [Secretariat of] Foreign Relations: 10,055,084,000 pesos (approximately $105 million).

The Secretariat of Finance and Public Credit was allotted 670,712,623,000 pesos (approximately $7 billion); the [Secretariat of] National Defense: 37,873,694,000 pesos (approximately $395 million); the [Secretariat of] Agriculture and Water Resources: 176,198,495,000 pesos (approximately $1,835,000,000); and the [Secretariat of] Communications and Transport: 154,167,654,000 pesos (approximately $1,605,000,000).

The Secretariat of Commerce will have a budget of 136,619,649,000 pesos (approximately $1.5 billion); the [Secretariat of] Public Education: 443,829,058,000 pesos (approximately $4,623,000,000); the [Secretariat of] Health and Assistance: 54,542,241,000 pesos (approximately $568 million); the [Secretariat of] the Navy: 14,436,230,000 pesos (over $150 million); and the [Secretariat of] Labor and Social Welfare: 4,829,308,000 pesos (approximately $50 million).

The budget allotment for the [Secretariat of] Agrarian Reform is: 10,732,076,000 pesos (nearly $112 million); the [Secretariat of] Fisheries: 21,615,116,000 pesos (approximately $225 million); the Attorney General's Office: 3,100,280,000 (approximately $32 million); and the [Secretariat of] Patrimony and Industrial Development: 276,616,362,800 pesos (42,881,000,000).

The budget's contribution to social security is: 21,819,859,000 pesos (approximately $227 million); the [Secretariat of] Human Settlements and Public Works: 79,465,800,000 pesos (approximately $827 million); the Secretariat of Tourism: 7,456,796,000 pesos (over $77 million); for additional payments: 551,367,000,000 pesos (over $5,743,000,000); the [Secretariat of] Programming and Budget: 19,415,219,000 pesos (nearly $204 million); and for regional promotion: 71,600,000,000 pesos ($745 million).

BANK-OWNED INDUSTRIES, SHARES TO GO ON SALE

FL302000 Mexico City NOTIMEX in Spanish 0514 GMT 30 Dec 82

[Excerpt] Mexico City, 29 Dec (NOTIMEX) -- The federal government will sell 34 percent of the shares and the industries owned by the nationalized banks [as received] until the former bankers are properly compensated, Carlos Sales Gutierrez, under secretary of banking, said.

PRESIDENT SUGGESTS SPAIN'S GONZALEZ AS NEGOTIATOR

PA310317 Panama City Televisora Nacional in Spanish 2300 GMT 30 Dec 82

[Text] Panamanian President Ricardo de la Espriella has told the Spanish weekly TIEMPO that a peace plan for Central America must be created. In the interview, De la Espriella said that a peace plan must be launched to end, once and for all, the situation Central America is experiencing. The Panamanian president said that the main promoter of such a peace plan should be Spanish Prime Minister Felipe Gonzalez.

The Panamanian president added that Central America's peace passes through [pasa por] Madrid and he stressed that the new Spanish Socialist government will play an important role in the solution of the problems affecting the region. The Panamanian president said that Felipe Gonzalez has a peacemaker's spirit and high moral prestige, which guarantee all his efforts. We consider him a man who can negotiate among all the parties in conflict.

Further on in the interview, De la Espriella warned that the United States promised to turn the canal over to Panamanian sovereignty and that this pledge must be respected. In the interview, De la Espriella reviewed Panama's relations with other nations of the Caribbean, particularly Cuba and Nicaragua, and he reaffirmed Panama's kindred spirit toward all the peoples of the area.

Havana Picks Up Story

PA010450 Havana International Service in Spanish 0000 GMT 1 Jan 83

[Text] Panamanian President Ricardo de la Espriella has said that it is urgently necessary to implement a plan to restore peace in Central America. In a statement to the Madrid paper TIEMPO he noted that the new Spanish Government headed by Felipe Gonzalez can contribute to a peaceful solution of the problems affecting the Central American region. The Panamanian president stressed that his country has fraternal relations with Nicaragua and Cuba, and also wants to have this type of relations with all the other Latin American nations.

ARREST OF CANAL BOARD MEMBER ORDERED

PA311847 Panama City LA REPUBLICA in Spanish 30 Dec 82 pp 1, 8

[Excerpts] Carlos Humberto Cuestas, deputy prosecutor at the Attorney General's Office, ordered six more people arrested this morning in connection with the alleged wrongdoing at the Social Security Fund involving the delivery of mortgage funds for housing projects. Two of those for whom arrest warrants have been issued are Phillip Dean Butcher and Lorenzo Mora, former members of the board of directors of the Social Security Fund, who are charged with having received checks of $13,000 each from the companies Alveyco, S.A., and Expansion Urbana, S.A., on 8 and 11 March 1982. In addition to issuing the arrest warrant for Butcher, Cuestas has asked the central administration to suspend the labor leader from his position as a member of the Panama Canal commission board of directors.

PLANNING MINISTER REPORTS APPROVAL OF 1983 BUDGET

PA312029 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Dec 82 pp A1, A10

[All figures as published]

[Text] A cabinet meeting yesterday chaired by President Ricardo de la Espriella approved the national government's operational and investment budget for 1983, which totals 2.5 billion balboas.

Menalco Solis, planning and economic policy minister, told the press that "the overall budget reflects 1,989,000,000 balboas in current revenues. The total approved expenditures for the central government and the decentralized agencies is 1,846,600,000 balboas. This is an increase of 87 million balboas over the 1982 budget."

The planning minister itemized this budget increase of 87 million balboas as follows: 42 million balboas will cover the salary increases that have been promised to the teachers, doctors, national port authority workers and a 10-percent increase in the salaries of public employees who earn less than 300 balboas per month. A total of 175,000 Panamanians, including public officials, pensioners and retired public servants, will benefit from this increase of 42 million balboas.

"Twenty million balboas will go to service the public debt and the increase in interest being charged to the government on its debt. Twelve million balboas will be used to cover the increase in fuel costs, particularly because the IRHE [Institute of Hydraulic Resources and Electrification] may have to consume more fuel as a result of the current dry season. Six million balboas will cover extra payments to teachers and 3 million balboas will cover the increase in rental payments," Solis said. "All of this plus the amortization payments on the public debt during the next year, some 300 million balboas, constitutes the overall income and expense budget of 2.5 billion balboas approved by the cabinet council," Solis concluded.

GOVERNMENT LIFTS BAN ON PHONE-IN RADIO SHOWS

PA010304 Panama City Circuito RPC Television in Spanish 1715 GMT 31 Dec 82

[Report by Jorge Concepcion]

[Excerpt] Based on the recommendations of the consultative commission appointed by the Government and Justice Ministry to undertake a study of the current situation of radio broadcasting and its appropriate uses, the executive branch, through Decree No 206 dated 30 December 1982, signed by President Ricardo de la Espriella and Government and Justice Minister Justo Fidel Palacios, has repealed Decree No 200 dated 23 November 1982, which prohibited the broadcasting of telephone calls by radio stations.

Article 1 of Decree No 206 states that it repeals all of Decree No 200, which had modified Executive Decree No 155 dated 28 May 1962.

The consultative commission was made up of Jorge Federico Lee, deputy government and justice minister, Aurelio Ali Bonilla, national director of social communications media; Diogenes de la Rosa, legal adviser of the ministry; Fernando Eleta Casanova, Jacobo Salas and Jose Gabriel Diaz for the Panamanian Radio Broadcasting Association; and Andres Vega Cedeno, Miguel Antonio Bernal and Mario J. de Obladia for the radio commentators. In its report, the commission indicated that after a careful study of the current radio broadcasting situation, it believed that the appropriate use of the radio broadcasting medium could be guarnateed by the authorities of the Government and Justice Ministry through the strict enforcement of the existing laws, without the need to maintain Executive Decree No 200.

BRIEFS

MILITARY APPOINTMENT --Lt Col Julio Ow-Young, supervisor of military zones and until recently chief of the communications department, has turned command of the communications department over to Maj Arnulfo Castrejon. [Panama City MATUTINO in Spanish 28 Dec 82 p 6-A PA]

COSTA RICA

MONGE SAYS NICARAGUAN SOLUTION UP TO U.S., USSR

PA010500 Paris AFP in Spanish 0328 GMT 1 Jan 83

[Text] San Jose, 1 Jan (AFP) -- Costa Rican President Luis Alberto Monge today affirmed that the solution for "the Nicaraguan problem" has "left the orbit of the Central American people for good" and will be solved "between Moscow and Washington." "A high-level dialogue between Washington and Moscow can help in the pacification of Central America," he said.

In a statement for the newspaper LA NACION, Monge said that "an insurmountable philosophical and political disagreement" exists "between Nicaragua and Costa Rica" because the Sandinist leadership embraced a "Marxist-Leninist course in alignment with Moscow" and "abandoned the original course of a pluralist regime."

Monge reaffirmed his support for "democratization" in El Salvador, pointing out that "there are positive factors within the armed forces" of that country, and that this year's elections demonstrated the people's "deep rejection" of the guerrillas, who are "controlled by Marxism-Leninism."

Regarding the Socialist International, which continues to support the Nicaraguan Government and the Salvadoran opposition, Monge said that he does not know "whether the Socialist International supports the Nicaraguan process."

"What I have heard is that it supports the original course of a pluralist regime" in Nicaragua, he said. He added: "I believe that the Socialist International has been unwilling, out of fear or vanity, to concede that this project was abandoned and that all the promises made by the Sandinists to return to it are not being fulfilled." He said: "I am more realistic. I accept that the plan has been abandoned."

"I believe that the Socialist International will end up conceding that it is facing a very dramatic sociological fact: that of the husband who does not want to recognize that his wife no longer loves him. We might as well accept that the Sandinist course is Marxist-Leninist, aligned with Moscow, and try to achieve with them a peaceful and friendly coexistence in our affairs," he said.

"Furthermore, the Nicaraguan problem has already left the orbit of the Central American people. It is a problem that is part of the Moscow-Washington confrontation, and it would be ridiculous to pretend to gravitate one way or the other when we know that this will definitely be solved between Moscow and Washington. Costa Rica no longer has anything to say in the Nicaraguan problem." Monge said that this position will be presented to the Socialist International in April in Australia by a delegation from the Social Democratic National Liberation Party, of which Monge is a member.

On the Salvadoran situation, he said that "we support democratization of the country, but we do not support the guerrillas...who do not represent the interests of the exploited Salvadoran people."

On the Socialist International's support for the Salvadoran opposition, of which the FMLN is part, Monge said that his opinion in this case "is different" from that which he has on the Socialist International's support for Nicaragua.

"The Socialist International does not want to say that it can no longer support the plan of the Salvadoran opposition and that the guerrillas that are part of the plan are controlled by Marxism-Leninism," he explained.

President Monge defended himself from charges made here by some sectors to the effect that his government has given in to the United States. He denied that his administration, initiated last May, has turned Costa Rica's foreign policy "to the right" and added that "I have given up nothing, and I do not know what they mean about a submissive policy."

NICARAGUA CLOSES BORDER UNTIL 3 JANUARY

PA020242 San Jose Radio Reloj in Spanish 0100 GMT 2 Jan 83

[Text] The northern border has been closed. Beginning at 1000 today, 1 January, the Nicaraguan side of the northern border was closed and will remain closed until Monday. The Nicaraguan Government notified the Costa Rican immigration authorities of this decision, and for this reason the movement of people and vehicles has been reduced to zero, Captain (Guevara), a member of the Northern Command has said. The Civil Guard official also reported that there is a fuel problem because all the gasoline stations are closed.

FINANCE MINISTER ON DEBT PAYMENT, ECONOMIC GAINS

PA311619 San Jose Radio Reloj in Spanish 1200 GMT 31 Dec 82

[Text] Costa Rica will pay $280 million in 1983 within an arrangement that was reached between the commission for renegotiation of the foreign debt and the creditor banks' coordination group in New York on 15 December. The amount corresponds to overdue interest on the government's foreign debt to nongovernmental financial institutions.

In addition, the government must pay $147 million, beginning in January, to cover current interest, which will bring our country's [word indistinct] financial obligations up to date.

In order to support this effort by Costa Rica, the creditor banks will grant a 180-day revolving credit of $228 million to finance the country's imports. They have also agreed to grant a 1-year extension for the payment of principal, after which principal and interest payments will begin on the basis of a repayment schedule that will be worked out during the talks on refinancing.

Finance Minister Federico Bargas said that another short-term achievement has been the obtainment of the financial resources needed to reactivate the country's agricultural and livestock sectors.

EL SALVADOR

GARCIA ON 'MARXIST SCHEME,' MUTUAL DEFENSE

PA310044 Panama City ACAN in Spanish 1742 GMT 30 Dec 82

[By Cristina Hasbun de Merino]

[Text] San Salvador, 30 Dec (ACAN-EFE) -- Salvadoran Defense Minister Gen Jose Guillermo Garcia has said that peace in the Central American region depends on a change of government in Nicaragua because, as long as the present Nicaraguan leaders remain in power, the conflict might even spread throughout the entire American continent.

In an exclusive statement to ACAN-EFE, General Garcia said that "it is necessary for this Nicaraguan Government to disappear. The people of that country themselves are already beginning to search for their own solution, which would help reestablish peace in the entire area."

The high-ranking Salvadoran military leader noted that a military alliance between Guatemala, Honduras and El Salvador "would be a practical solution to end all the warmongering conflicts created by Marxist subversion, but we support the idea that we must first exhaust all the possibilities for a political solution."

Garcia said that rather than going to war, which would bring more bloodshed and mourning to Central America, each country must seek its own solutions, even though the armed forces know that hypothetical plans exist between neighboring countries to come to the defense of their common interests.

He added that this year the Central American countries have faced Marxist aggression from the Soviet Union through Cuba and Nicaragua and that the roles played by the armed forces of well-defined countries such as El Salvador, Honduras and Guatemala are vitally important.

Garcia said that in the specific case of El Salvador, it has been strongly attacked in a material and propagandistic way. He said an organized campaign has been launched to discredit the government and the armed forces before world opinion.

He explained that the international propaganda has played on key words such as people and government, making the world believe that the people are struggling against the government and the armed forces. "This is completely false, because the people are fighting beside the armed forces against a group of Salvadorans allied with foreigners."

General Garcia reaffirmed that the Salvadoran Government has given the guerrillas the sole alternative of laying down their weapons and participating in the next elections. Otherwise, "the guerrillas will have to face a more determined struggle, which we would prefer not to carry out."

Returning to the subject of Central America, Garcia said that the region is of great geopolitical importance to the American continent because it is a bridge between the two great land masses of North and South America.

He said that the first armed communist uprising on the American continent took place in El Salvador on 1932, "which shows the Soviet Union's interest in our small country for its objectives."

Garcia said that within the Marxist scheme of the Soviet Union, the revolutionary interest lies in South America and the doctrinarian and strategic interest lies in the United States.

The defense minister said: "That is the real objective. If Central America falls, Mexico will fall because the ground has been prepared and a series of conditions exist to easily bring it into the scheme. Mexico is no longer the window or the door to the United States, but a garage with its door wide open."

Garcia affirmed: "We have been repeating this: The struggle being waged in El Salvador is not ours alone. It also pertains to the defense of all the American continent's interests, principally those of the United States."

"Vietnam is in the past and El Salvador is not a Vietnam because we are fighting in our own country, we are fighting alone against an enemy that is partly comprised by Salvadorans who believe in violence because they have been deceived and have lost faith in the democratic system," Garcia emphasized.

Lastly, the minister said that during the first days of January an official peace commission will be organized. The armed forces will be represented on this commission because "it has become necessary to put an end to this conflict."

D'AUBUISSON CALLS FOR PARTY-GOVERNMENT UNITY

PA010424 San Salvador YSR Television in Spanish 0300 GMT 31 Dec 82

[Speech by Maj Roberto d'Aubuisson, president of the Constituent Assembly and leader of the Nationalist Republican Alliance, to the Salvadoran people and the members of his party on 30 December; place not given -- live or recorded]

[Excerpts] I want to talk about our party, Arena [Nationalist Republican Alliance]. For this I want to remind you about certain things because, whether they are good things or bad, Salvadorans always forget too soon. About 2 years ago, the streets of San Salvador, the downtown area and other places in the city, as well as towns in the interior of the country, were practically in the hands of wild mobs, which were called popular organizations back then. I want to remind you of them. They were the so-called Peoples Revolutionary Bloc, the FAPU [United Popular Action Front], the LP-28 [28 February People's Leagues] and so forth. They staged many destructive demonstrations, chanting slogans of salvation and popular liberation. To the misfortune of our homeland, some people believed in these slogans -- and they were wrong. These hordes merged and called themselves the Revolutionary Coordinating Board of the Masses.

Subsequently, these armed groups merged in a single group that they called the Unified Revolutionary Directorate, DRU. Later on, all of them got together under a single leadership, which we know today as the FMLN. This group claimed to be the political vanguard and formed a front organization known as the FDR [Revolutionary Democratic Front]. The mission that these treacherous turncoats have been given by their masters is to seize power and establish a totalitarian Marxist system.

I am recalling all this because the objective of seizing power has not changed for these Marxists. The only thing that has changed is the tactics they use to achieve their goal. This attack sponsored from abroad and carried out here by these turncoats I just mentioned has caused all of the misfortunes and tragedies we have been suffering. But we are not the ones who should tell you about them, because you, the Salvadoran people and companeros of the armed forces, know them better than anyone.

Compatriots: This is why Arena came into being: to say no to communism. We will continue saying no to it, and we will continue to fight tirelessly with our forces in order to give our firm support to the productive, political and nationalist sectors, and to our Salvadoran Armed Forces.

We want to refer to those who call themselves independent in the democratization process we are experiencing. Certain people who use this term, which is somewhat vague and ambiguous, are trying to make us believe that the political parties are no longer a solution to our problems. This belief is completely illogical. In addition, malicious arguments are used by certain individuals who operate from the shadows in an effort to confuse the people.

Here is the reason why we say this: If we are fighting to promote a democratization process through elections, history tells us that this can only be achieved through political parties. To assume that this isn't so is detrimental and also dangerous for the consolidation of the democratization process.

The Salvadoran people, all of us, went to the polls to vote for the candidates that each party publicly nominated in order to form a constituent assembly and thus legally reorganize the government apparatus. There were no independent candidates in the elections.

Therefore, it is the political parties that give their support and endorsement to the government's efforts, as a function of the first branch of the state: The Constituent Assembly. Just as we must support the majority decision of the political parties, we must also support the government that was formed from the consensus of these parties. But we must never permit the destruction of the political parties, because they are the only way to continue advancing in the democratization process.

We trust that the government of national unity, with the support of the political parties, will gradually consolidate. Any speculation concerning a decrease in the role of political parties can only be in the minds of those who are far from knowing or understanding the Salvadoran situation. On the contrary, we believe that the parties are healthy and beneficial for the democratic process. Arena stresses here that it will not lend itself to or permit the plan of a government of national unity to be modified or altered.

Nationalists: Now more than ever, we must be big and strong.

Because of all this, Arena members, if we came from almost nothing in the dark days of our recent history and were able to get where we are today as a party in little more than a year, and if we represent the largest nationalist political force in El Salvador, nothing and nobody will destroy us.

We will continue onward, optimistically and with a greater enthusiasm, preparing ourselves to take the great step that we must take in March 1984; and from that date on, we will achieve our objectives for the good of all Salvadorans.

Arena members: We will continue to participate in the government, with the same positions we have within this government of national unity as a result of the interparty negotiations. We will do this with more enthusiasm and more desire to fulfill our responsibilities.

On this occasion I want to stress to the true Salvadoran people that our great Arena party will not take one step backward and will not be harassed by anything or anybody. We will never accept dialogues or negotiations imposed by the communists. I have said it and I repeat it now: The only dialogue we believe in is elections. We also believe in an amnesty law and a law for the rehabilitation of citizens so that those who want to put down their weapons can benefit from it and join the constructive tasks of the true Salvadoran people. Any other type of dialogue or negotiation is not acceptable, because we cannot betray the heroic soldiers who are giving up their lives to defend our country from communist aggression.

To conclude this television appearance, and as a key point of our message, we want to refer to the government of national unity as seen by the Salvadoran People and thus by our party. We feel that in the present circumstances the parties that form this government must put personal and party banners aside in order to concentrate all their efforts on pulling El Salvador through. We have said it before, and we repeat it now: Every effort made to this date must be made first for El Salvador, second for El Salvador and third for El Salvador.

We know that with the posts that the political parties have today we are maintaining the balance needed for the government of national unity to come through. If there are changes to be made, they must be made through mutual understanding and political respect.

We have already overcome a difficult period. If any of us has erred, it is time to rectify it and to establish priority targets without selfishness, paying attention to the great problems we have: pacification and the economic recovery.

We believe that 1983 will be the key year. It will be the year of peace and welfare for the Salvadoran people. The good will that must be maintained in our government of national unity is vital to reach this goal, because we love our homeland in the same way we love a friend or a son, and each one of us makes up this homeland.

Salvadorans: Although we are in confusing times, be sure that the new year will bring positive results. The optimism that characterizes the Salvadorans must never end. We are sure that we will advance with firm steps for the benefit of all, regardless of the sacrifices required of the people or the parties. May God bless us and help us find peace, progress and freedom. Thank you and good evening.

CONSTITUENT ASSEMBLY ANNOUNCES 1983 BUDGET

PA020307 San Salvador LA PRENSA GRAFICA in Spanish 24 Dec 82 pp 5, 32

[All figures as published]

[Excerpts] The Constituent Assembly yesterday distributed copies of the general budget law, the special budget for autonomous agencies and the salary law.

Following are the figures of the general budget for 1982 compared with the projected figures for 1983 [all figures in colones]:

A. Main Units of Organization	Approved 1982	Projected 1983	Difference
Legislative Branch	2,148,630	6,000,000	3,851,370
Judicial Branch	19,800,000	17,761,560	2,039,440
Accounts Court	7,850,000	7,442,700	407,300
Central Electoral Council	4,076,390	1,310,560	2,765,830
Civil Service Court	285,000	268,380	16,620
Attorney General Office	3,391,490	2,358,720	1,032,770
Attorney General Office for the Poor	4,634,220	3,529,770	1,104,450
Presidency of the Republic	16,000,000	15,116,040	883,960
Planning Ministry	74,753,160	39,032,930	35,720,230
Finance Ministry	61,574,330	54,576,860	6,997,470
Foreign Ministry	13,335,790	12,592,670	743,120
Interior Ministry	54,952,170	44,065,260	10,886,910
Defense Ministry	247,328,900	272,028,900	27,700,000
Public Security	121,315,620	121,315,620	- - - - -
Justice Ministry	27,912,090	22,541,300	5,370,790
Education Ministry	381,937,420	346,965,180	34,972,240
Public Health and Social Services Ministry	179,168,670	178,694,550	474,120
Labor and Social Welfare Ministry	16,064,770	10,378,100	5,686,670
Foreign Trade Ministry	3,161,760	2,783,820	377,940
Economy Ministry	80,740,910	95,523,830	14,782,920
Agriculture and Livestock Ministry	231,168,860	158,198,720	72,970,140
Public Works Ministry	233,882,420	226,943,040	6,939,380
Subtotal for main units	1,785,482,600	1,638,501,310	146,981,290

B. General Obligations	1982	1983	Difference
Pension Allowances	38,500,000	41,000,000	2,500,000
Social Security Dues	34,100,000	10,000,000	24,100,000
Contributions to International Organizations	7,000,000	3,500,000	3,500,000
Reserve Funds for Tax Refunds for Previous Years	7,000,000	3,500,000	3,500,000
Life Insurance for Government Employees	3,600,000	3,600,000	- - - - -
Public Debt	215,386,450	298,201,680	82,815,230
Administration of the Debt From Previous Fiscal Years	20,000,000	60,500,000	40,500,000
Subtotal of General Obligations	325,586,450	420,301,680	94,715,230
Total General Budget	2,111,069,050	2,058,802,990	52,266,060

BANK OFFICIAL ON SOURCES OF FOREIGN FINANCING

PA302137 San Salvador LA PRENSA GRAFICA in Spanish 30 Dec 82 pp 3, 24

[Excerpts] The country's gross income from foreign financing sources in 1982 totals $1 billion.

Alberto Benitez Bonilla, president of the Salvadoran Central Reserve Bank, reported this to LA PRENSA GRAFICA.

After subtracting the payments which had to be made from that $1 billion, a net fund of $635 million was left, the official added.

Benitez Bonilla indicated that the country's financial sources have been the Agency for International Development, the IDB, and the Venezuelan and Argentine Governments.

HAVANA REPORTS ON SITUATION WITHIN COUNTRY

Regime Bombings, FMLN Actions

PA310009 Havana International Service in Spanish 1800 GMT 30 Dec 82

[Text] Air Force planes and artillery of the Salvadoran regime army indiscriminately bombed Los Laureles and Las Colinas in San Vicente Department, where, according to an official report, guerrilla forces have been regrouping. Press dispatches state that the bombing is so intense that it can be heard in the department's capital and in neighboring municipalities.

Radio Venceremos, the official voice of the FMLN said guerrilla commandos again occupied Nueva Esparta, La Union, where they held a meeting with the townspeople and distributed propaganda before leaving. Nueva Esparta is one of the five towns that were under guerrilla control at the end of November during the Heroes and Martyrs of October campaign.

Radio Venceremos also revealed the names of nine prisoners of war that the FMLN captured on 22 December along the northern main road in Chalatenango Department. The rebel station asked relatives of the pow's to immediately get in touch with the International Red Cross, as they fear the government could take reprisals.

More Government 'Crimes'

PA311915 Havana International Service in Spanish 1600 GMT 31 Dec 82

[Text] Just as it announced, the Salvadoran Air Force has continued its intense bombing of presumed guerrilla positions in the vicinity of the Chichontepec volcano in San Vicente Department, as well as the towns of Los Pozos and Los Laureles in Chalatenango Department. The main victim of this indiscriminate bombing is the defenseless civilian population, mainly women and children who are hit by shrapnel or by the planes' shelling as they run for cover.

It was also reported that FMLN commandos dynamited another electrical tower in La Paz Department, which made the situation for the dictatorship's forces in the eastern part of the country worse. This area has been without electricity for several days. Other dispatches report that the Salvadoran Human Rights Commission has demanded that the regime put a halt to its repression of the people. The humanitarian organization said that U.S. President Ronald Reagan's statement that the human rights situation in El Salvador has improved is false and can be disproved by the many crimes and other outrages that are perpetrated daily by the dictatorship's forces. The commission pointed out that in the last few hours, Salvadoran paramilitary bans murdered six youths, whose mutilated bodies were found on the outskirts of San Salvador.

Labor Groups' Demands

PA010455 Havana International Service in Spanish 0000 GMT 1 Jan 83

[Text] Six Salvadoran workers' federations have sent a document to the country's labor, political and religious organizations calling for a political solution to the conflicts of the nation, including the restoration of peace, justice and democracy.

The document also demands the abolishment of all arbitrary decrees, the elimination of the state of siege and the release of union leaders and other people who were unjustly arrested; as well as wage increases and the application of effective measures to control the high cost of living.

Army Plans Chemical Weapons Use

PA011725 Havana International Service in Spanish 1600 GMT 1 Jan 83

[Text] The FMLN has charged that the Salvadoran Army is getting ready to use chemical weapons banned by international convention in its war against the people. Commander Marcelo, one of the guerrilla commanders of the Modesto Ramirez Central Front, disclosed that the FMLN's intelligence services have discovered that during the second week of December the Ramon Belloso and Atlacatl elite battalions carried out chemical warfare drills.

In a statement quoted by the NOTISAL news agency, the guerrilla commander accused the United States of supplying chemical weapons to the Salvadoran Armed Forces.

Bomb Explosions in Capital

PA020323 Havana International Service in Spanish 0000 GMT 2 Jan 83

[Text] Central American radio stations have reported that on Friday night FMLN combatants exploded three bombs in San Salvador, leaving one third of the capital without electricity.

Two of the bombs destroyed several electric posts, and a third bomb damaged a telephone exchange box. One person was injured as a result of the explosions.

The army has established strict vigilance at strategic points in the city. In addition, it was learned that troops from garrisons in eastern El Salvador are gathering to begin a counterinsurgency operation in La Paz, San Vicente and Usulutan Departments in the next few hours.

In an interview granted to Radio Farabundo Marti, Cayetano Carpio, member of the FMLN general command, said that the positive results of FMLN actions during 1982 allow the beginning of the decisive stages for the strategic annihilation of the enemy.

GUATEMALA

ORPA REPORTS ACTIONS AGAINST REGIME IN 1982

PA010357 Havana International Service in Spanish 1600 GMT 31 Dec 82

[Text] In a communique issued to the international public, the Guatemalan Armed Peoples Revolutionary Organization, ORPS, has reported on the successful results of its armed actions against the genocidal Rios Montt regime in 1982.

The report indicated that it carried out 392 actions, which cost the enemy more than 700 casualties while resulting in the regrettable death of 6 patriots. The communique stated that more than 38 ambushes were set against the regime's troops, 28 aircraft and land transportation vehicles were destroyed and dozens of towns were occupied politically and militarily, including the seizure of radio and television stations. These actions show the praiseworthy revolutionary conviction, courage, strategy and military tactics of the Guatemalan guerrilla forces in their efforts to achieve their just cause and establish a truly free and democratic government.

The ORPA stresed the obvious failure of the so-called operation Victory '82, which the Rios Montt regime viewed as the final offensive against the Guatemalan guerrillas.

HONDURAS

NICARAGUAN AMBASSADOR SAYS RELATIONS 'EXCELLENT'

PA310226 San Pedro Sula TIEMPO in Spanish 30 Dec 82 p 10

[Text] Nicaraguan Ambassador Guillermo Suarez Rivas yesterday said that diplomatic relations between Honduras and his country are "excellent."

Despite the fact that the press has reported that confrontations occurred on 24 December, the chief of the Nicaraguan diplomatic mission said he was unaware of that situation; he stressed that the relations are good.

He said that the efforts to promote dialogue between the authorities of the two countries are going well so as to achieve a firm and lasting detente.

Suarez Rivas emphasized the importance of the recent meeting of Honduran and Nicaraguan military men at the Las Manos border post. The very fact that they met is positive regardless of the agreements that might be reached, the Sandinist diplomat said.

Suarez Rivas made these remarks after meeting with Honduran Foreign Secretary Edgardo Paz Barnica to extend "new year's greetings."

GROUP TAKES RESPONSIBILITY FOR LA PRENSA ATTACK

PA310326 San Pedro Sula TIEMPO in Spanish 24 Dec 82 p 3-B

[Text] San Pedro Sula -- The self-styled "Lempira People's Revolutionary Command" [Comando Popular Revolucionario Lempira] has taken responsibility for the dynamite attack on the installations of the newspaper LA PRENSA. The attack occurred on Wednesday night when an explosive device was placed at one of the metal doors of the building. The group issued an unsigned pamphlet in which it claims responsibility for the action and harshly criticizes the government and the armed forces. It also refers to "the humiliation of which we were victims as a result of the visit of the U.S. President."

FPR NEWS BULLETIN CIRCULATING IN MEXICO

PA021946 Havana International Service in Spanish 1800 GMT 2 Jan 83

[Text] The first issue of LORENZO ZELAYA, a news bulletin and organ of the People's Revolutionary Forces [FPR] of Honduras, is circulating in Mexico City.

The bulletin notes that like the people of the other Central American countries, the Honduran people are struggling to end centuries of extreme poverty, ignorance, hunger and oppression imposed by foreign domination.

Lorenzo Zelaya, the martyr after whom the publication is named, was a banana company worker. He was the founder of the National Federation of Peasants of Honduras and a member of the Popular Action Front. He died fighting the military forces in April 1975.

BRIEFS

ENVOYS' RESIGNATIONS REQUESTED -- On 21 December, Honduran Foreign Secretary Edgardo Paz Barnica requested the resignation of all Honduran ambassadors on the orders of President Roberto Suazo Cordova. As a result, Juan Agurcia, (Roberto Herrera Caceres) and Ruben Villaneuva Doblado -- Honduras' ambassadors to the United States, the EEC and Guatemala -- have already presented their resignations. [Tegucigalpa Domestic Service in Spanish 1130 GMT 24 Dec 82 PA]

NEW PEASANT ORGANIZATION -- Nelly Ramirez Cruz, vice president of the Federation of Honduran Agrarian Reform Cooperatives (Fecorah), reported yesterday that Fecorah and the Honduran Peasants National Association will form a new peasant bloc, which will be called the Higher Council of Honduran Peasants [Consejo Superior del Campesinado Hondureno -- Consucamh). Ramirez Cruz said that this new organization is being formed to attain the unity of the peasants in order to fight for agrarian reform. He noted that Consucamh will admit other peasant organizations that may wish to join. [San Pedro Sula TIEMPO in Spanish 17 Dec 82 p 10 PA]

NEW CONGRESS COMMISSION BOARD -- The new board of directors of the Permanent Commission of the National Congress was appointed on 14 December. The members are: Efrain Bu Giron, president; Benigno Irias, vice president; Alberto Rodriguez Espinoza, secretary; Juan Pablo Urrutia, first member; Carlos Orbin Montoya, second member; and Rafael Pineda Ponce, third member. [San Pedro Sula TIEMPO in Spanish 15 Dec 82 p 2 PA]

NICARAGUA

FSLN-JUNTA MESSAGE REVIEWS 1982, PREVIEWS 1983

PA312259 Managua Radio Sandino in Spanish 1830 GMT 31 Dec 82

[Year-end message to the Nicaraguan people from the FSLN National Directorate and the Junta of the Government of National Reconstruction; dated 31 December -- read by announcer]

[Text] From the FSLN National Directorate and the Junta of the Government of National Reconstruction to the heroic Nicaraguan people:

As 1982 comes to an end, we must give special recognition to the men, women, elderly people and children who with their blood have made possible the defense of our sovereignty and the consolidation of our revolution.

This year has been characterized by greater aggressiveness against our people by the current U.S. Administration. Using Honduran territory as a base of operations, they launched on various occasions more than 4,000 Somozist guardsmen in an attempt to seize and control our national territory. Seven Benk, San Francisco del Norte, (Guasminona), (Nubarrones), Salto Grande and (Yas) are now symbols of our people's courage in defense of their interests.

To the heroic men of our Sandinist People's Army: militiamen, border guards, reserve battalions, troops of the Interior Ministry and the General Directorate of State Security, we give our recognition for the self-sacrifice and courage shown in these months of hard and fierce battles.

In 1982 our people's tenacity was once again tested amid adversity, the world crisis, floods and droughts. The people were able to show the energy needed to continue advancing the process of the reconstruction of the Nicaraguan nation. That is why, despite the damage caused by the floods, the number of victims was kept to a minimum and the land scheduled to be planted with cotton and basic grains was saved.

Despite the shortage of foreign exchange, the population was provided with basic supplies and inflation was contained. Unemployment was reduced to the minimum that had been expected; and, at the same time, 10,000 emergency jobs were created with the unemployment fund. Despite the economic aggression, we were able to face the international credit institutions and banks.

The victory that Nicaragua achieved on being elected to occupy a seat on the UN Security Council is an international victory. It is a recognition of Sandino's heroic people who showed that they had many more friends than enemies and who increased their strength and international prestige.

In 1982, for the first time in all our history, there was not a single case of poliomyelitis.

In 1982, for the first time in our history, in the agrarian reform field, 600 land titles were given out to 280 agricultural cooperatives and 320 individual peasants. A total of 134,000 manzanas of land were distributed.

In 1982, for the first time in our history, land titles were given out in the intervened housing projects, thus regulating the situation of 6,000 families. Through the progressive urbanization programs in Managua, Leon, Matagalpa, Chinandega and other cities, 6,000 other families that in the past lived among garbage and without essential services were relocated. We built 3,600 houses, especially in the sectors involved in agricultural production and the new Miskito settlements of northern Zelaya.

As 1982 draws to a close, we want to announce that the government junta is calling the State Council so that in January 1983 it will discuss in special sessions the bill by which the tenants, through forms of payment agreed upon with the Housing Ministry, can become owners of the houses they rent. This law will mean one more advance of the revolution in the effort to give Nicaraguans the security of a roof over their heads. This law will also benefit thousands of families who live in tenements and who will be protected by the Housing Ministry.

In 1982, drinking water service was extended to 52,000 more people in the country, and electricity service was extended to 13,000 more homes. One million Nicaraguans received some kind of education in the country, more than 70,000 athletes participated in various competitions in our country and hundreds of men and women of the people had the opportunity to join the various cultural movements in our country. In sum, we can state that in 1982 the workers, peasants, young people, producers, patriotic businessmen, intellectuals, professionals, technicians, women and workers of the various sectors of the nation were loyal to the heroes and martyrs who died in the revolutionary struggle and the defense of revolutionary power.

The new year 1983 will be one of struggle and victory. The aggressive policy of the current U.S. Administration will be felt with greater force in Central America, particularly in Nicaragua.

Israel's interference through its military leadership; the increase of the criminal actions of the Somozist guardsmen, who will once again try to seize a piece of our territory; economic difficulties; and the blackmail and pressures that we must confront and overcome in all fields, force us to redouble our efforts, determination and sacrifices in an active struggle for peace and a combative struggle for the defense of our sovereignty. That is why 1983 will be the year of struggle for peace and sovereignty.

On 1 January 1933 the Yankee interventionist troops left in defeat from our territory. An army of peasants and workers led by Sandino made the victory possible. Now, 50 years after that historic deed, 1 January 1983 will find a liberated Nicaragua with its army of the workers incorporated into the Sandinist people's militias, the border guard troops, the reserve battalions, the Sandinist People's Army, the Interior Ministry and the revolutionary vigilance. It will find 13,000 honest men, women, youths and children of our people who have courageously and enthusiastically joined the coffee picking tasks. Nineteen eighty-three will find the FSLN, its mass organizations, the government of national reconstruction and the indestructible strength of the aware and organized people determined to struggle and win.

Free fatherland or death.

[Signed] FSLN National Directorate, Junta of the Government of National Reconstruction. 31 December 1982, year of unity in the face of aggression

NUNEZ SAYS U.S. 'AGGRESSIONS' STRENGTHEN PEOPLE

PA310412 Havana International Service in Spanish 0000 GMT 31 Dec 82

[Text] Carlos Nunez, president of the Nicaraguan State Council, has stressed in Managua that the U.S. provocations and aggressions have strengthened the people of that Central American country and have stimulated deep anti-Yankee sentiments. In remarks to the Mexican newspaper EL NACIONAL, Nunez charged that U.S. President Ronald Reagan wants to become the architect of Nicaragua's future but that Sandino's people reject such a future.

Carlos Nunez indicated that the Nicaraguan opposition will be able to freely express its disagreement with Sandinism in a process that should culminate with the general elections in 1985. Nevertheless, he warned that in Nicaragua, propaganda for Somozism, the apologia of exiles or speculation on national defense and the development of the economy will not be permitted.

FSLN, JUNTA SEND ANNIVERSARY GREETINGS TO CUBA

PA010123 Managua Radio Sandino in Spanish 1830 GMT 31 Dec 82

[Text] The FSLN National Directorate and the Junta of the Government of National Reconstruction have sent a very important message to Commander Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, expressing greetings on 24 years of true Cuban patriotism. The message states:

Twenty-four years ago, the people of Marti, in defeating Batista's tyranny, dealt a blow to the imperialist policy that supported it. All our America was shaken by Cuba's heroic example, and the hope reborn in that victory provided a new impetus in the struggle. Today, 24 years after its triumph, the Cuban revolution has consolidated itself despite the imperialist aggressor's attempts to destroy it. That is why Cuba is today an example of development, an example of justice, an example of freedom and an example of sovereignty. Companero Fidel, the Cuban people and Communist Party, on the 24th anniversary of the triumph of the Cuban revolution, receive the fraternal greetings of the Nicaraguan people and their historic vanguard, the FSLN, and the Junta of the Government of National Reconstruction.

COUNTERREVOLUTIONARIES ATTACK COFFEE WORKERS

PA301538 Managua Domestic Service in Spanish 0300 GMT 30 Dec 82

[Text] Apparently angered by the earnest efforts of dozens of women, elderly people and children in harvesting coffee, the former Somozist guardsmen who reside in Honduras with U.S. imperialist support decided to turn the enthusiasm of these people, engaged in this promising and honest activity in the service of Nicaragua's future, into anguish.

With light artillery support, some 40 armed counterrevolutionaries launched a vicious attack on the (Agronica) plantation in the area of (El Pural), located only 1 km from the Honduran border. However, their attack on that part of the northern department of Nueva Segovia was repelled by the armed workers who are responsible for the State Production Unit, UPE, self-defense system. This information was supplied by Capt Jaime Agurcia, second in command of the Ocotal border guard post.

Thus, once again the murdering counterrevolutionaries have been forced back to their Honduran sanctuary by the Nicaraguan people's firm determination to build their new society and to defend the achievements of the Sandinist people's revolution to the final consequences.

Two workers were wounded in yesterday's attacks by the counterrevolutionaries. Meanwhile, the battalions of coffee harvesters continue their efforts to participate in the nation's economic recovery. The border guards proceeded immediately to the area that was attacked by the former Somozist guardsmen to help the UPE self-defense system workers, who pick coffee with one hand while holding their rifles with the other.

Attack Repelled

PA302113 Havana International Service in Spanish 1800 GMT 30 Dec 82

[Text] Nicaraguan border troops repelled some 40 former Somozist guardsmen who attacked coffee workers on a farm in Nueva Segovia Department.

The counterrevolutionaries attacked this group of civilians with automatic rifles and 60mm mortars. The attackers fled toward Honduras when the Sandinist forces answered their fire.

ANTI-IMPERIALIST GROUP REJECTS U.S. MANEUVERS

PA301837 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 30 Dec 82

[Text] The Anti-Imperialist Tribunal of Our America [TANA] has strongly criticized the resumption of the Hawk View maneuvers by U.S. imperialism:

[Begin recording -- unidentified speaker] The TANA's presidency and executive committee feel that the charge raised by Commander of the Revolution Humberto Ortega is extremely serious and convincingly reflects the Honduran Government's regrettable attitude toward peace in Central America. The U.S. deployment of two warships in Honduras indicates an aggressive attitude that runs counter to peace in the region, which is a goal for all Latin American peoples.

For this reason, TANA categorically rejects this new provocation by the Reagan administration and regards the deployment of these warships, as well as the construction of military bases and airports in Honduran territory, as an affront not only to Nicaragua but to all Latin American peoples. [end recording]

12 PEASANTS KIDNAPPED, TAKEN TO HONDURAS

PA311554 Managua Radio Sandino Network in Spanish 1200 GMT 31 Dec 82

[Text] Official sources have reported that 12 Nicaraguan peasants were kidnapped yesterday in the northern part of the country and taken to Honduras. A Defense Ministry communique says that a group of counterrevolutionaries entered the town of Las Rampas on Thursday morning, attacked the border post there and kidnapped 12 persons. Las Rampas is 2 km from the Honduran border.

According to the official communique, 9 of the 12 who were taken to Honduras are members of a single peasant family.

SANDINISTS REPEL COUNTERREVOLUTIONARY ATTACKS

PA021953 Havana International Service in Spanish 1800 GMT 2 Jan 83

[Text] The Sandinist armed forces have repelled three attacks by counterrevolutionary groups trying to enter Nicaragua from Honduras, according to Managua reports. The attacks occurred on 31 December and 1 January. The objective was to interrupt the New Year's festivities. The first attack took place in San Jose de Las Manos, Nueva Segovia Department. It was staged by 200 former Somozist guards who were repelled by Nicaraguan border guards who lost one soldier and one reservist.

At 2200, on 31 December, the counterrevolutionaries fired on the town of La Sabana, Madriz Department. On 1 January, the enemy attacked in Cipreses, Nueva Segovia Department. The Nicaraguan Interior Ministry has confirmed that counterrevolutionary groups burned many tobacco plants in Esteli.

FIDEL CASTRO ATTENDS SOVIET EMBASSY RECEPTION

FL311230 Havana Domestic Service in Spanish 1200 GMT 31 Dec 82

[Text] Commander in Chief Fidel Castro, first secretary of the party and president of the Councils of State and Ministers, attended a reception hosted by Konstantin Katushev, member of the CPSU Central Committee and Soviet ambassador to Cuba, to mark the 60th anniversary of the founding of the Soviet Union. Also attending the reception were members of the party Politburo, Secretariat and Central Committee as well as representatives of mass and social organizations.

FAR CEREMONY MARKS SOVIET UNION ANNIVERSARY

FL311250 Havana Domestic Service in Spanish 1145 GMT 31 Dec 82

[Excerpt] The main FAR ceremony marking the 60th anniversary of the founding of the USSR was held yesterday at the FAR Universal Hall. Div Gen Senen Casas Regueiro, alternate member of the Politburo and first vice minister of the FAR, and Maj Gen (Vasiliy Usdunov), hero of the Soviet Union, addressed the ceremony. Also attending were Konstantin Katushev, member of the CPSU Central Committee and Soviet ambassador to Cuba, generals and officers of the FAR and Soviet military specialists providing their services to our FAR.

RAUL CASTRO INTERVIEWED BY BULGARIAN PAPER

FL011350 Havana Domestic Service in Spanish 1232 GMT 1 Jan 83

[Text] Army Gen Raul Castro Ruz has assured that Latin American nations that have yet to be liberated from imperialism would make the dreams of Simon Bolivar and Jose Marti a reality. In statements to the Bulgarian newspaper NARODNA ARMIYA, the second secretary of our party and minister of the FAR recalled the difficult times experienced by the Cuban people under the Batista tyranny. Raul compared those difficult times with the critical and complex situation presently being experienced by Latin American and Caribbean nations, particularly El Salvador and Guatemala. In that connection he denounced the limitless aid which the U.S. Government provides to those regimes and said that its unreasonable policy has reached its highest degree of domination and aggression with the current Republican administration of Ronald Reagan.

Army Gen Raul Castro outlined the history of the FAR and asserted that its current tasks are part of Cuba's struggle against Yankee aggression. Raul also noted [Cuba's] modest assistance to other countries, such as Angola and Ethiopia, for defense of their independence. He praised the unselfish cooperation which Cuba and its armed forces have received from the USSR since the very beginning of the revolution.

Raul Castro stressed that the ties between our armed forces and the Bulgarian People's Army are being developed in line with Cuban-Bulgarian fraternity.

NARODNA ARMIYA, the Bulgarian People's Army newspaper, published the extensive interview granted by Raul in its latest edition, marking the 24th anniversary of the triumph of the revolution which all our people celebrate today.

STATE FINANCE COMMITTEE PRESIDENT REVIEWS BUDGET

FL302030 Havana Domestic Television Service in Spanish 1412 GMT 29 Dec 82

[Speech by Francisco Garcia valls, minister president of the State Committee for Finances, before the Third Session of the National Assembly of the People's Government -- ANPP -- in Havana on 28 December 1982 -- recorded]

[Text] President of the Council of States; Comrade Flavio Bravo, ANPP president. An evaluation of the 1982 state budget clearly shows the results of the measures adopted by the government in view of the adverse situation created by the difficulties related to the resources of free foreign exchange. There was a surplus of 3 percent in planned revenues. Expenditures practically remained at the estimated level and the predicted deficit of 420.7 million pesos was reduced to 148.1 million, thus reducing the budget balance by 272.6 million pesos.

There was a surplus of 318.6 million pesos on revenue from taxes on vehicles and a surplus of 395 million pesos from contributions by enterprises and organizations over the predictions made. This surplus more than compensated for the reduction from other sources. The improvements made in the control over the economy, the efforts to increase commercial funds and to develop the parallel market in addition to other price increases, played a predominant role in achieving this surplus in revenues.

In addition to this, the 453.5 million pesos budgeted for investments were not used because the investments were not implemented. These increases in revenue and the reduction of expenditures by more than 1 billion pesos greatly compensated for the net increases in other budgeted expenditures which rose from the established 160.7 million pesos to 228.4 million in order to strengthen national defense and internal order. At the same time, these increases also compensated for the 574.2 million pesos which had to be alloted over the budget for state enterprises in order to subsidize their losses -- these were less than in 1981 -- to provide incentive funds and to compensate for the damages created by floods. The final figures of the 1982 state budget will be known -- in accordance with the law -- in mid-1983 after all the figures have been confirmed.

The state budget for 1983 -- prepared on the basis of revenues which the economy is going to generate and in accordance with the 1983 plan which includes resources for financing planned activities -- shows increases in various activities as part of the policy of economic and social development of the revolution, despite the limitations which had to be kept in mind in preparing the budget due to the external financial situation related to free foreign exchange, a matter you are all familiar with. The budget also reflects the continuous effort being made to improve economic efficiency in order to more effectively face this adverse situation. Revenues have been increased by 5.3 percent in relation to the 1982 budget establishing minimum collection figures in the main revenue sections. This has allowed the presentation to this assembly of a budget with a surplus of 196.5 million. This represents a serious effort toward achieving efficiency. The expenditures for financing the productive sector suffered a reduction of 93.7 percent in relation to the 1982 budget as a result of the postponement of some investments and the reduction in planned losses.

Regarding home financing and community services, there is an increase of 5.9 percent which includes the repair of urban and rural buildings and roads.

Financial resources for education and public health, as part of the policy sustained by the government, have been increased by 3.3 percent for kindergarten, grammar, secondary and higher level schools and to take care of room and board for a greater number of students. Increases have also been made to make more beds available in hospitals, to create new intensive care units, to put into operation the Hermanos Ameijeiras Hospital, to open new maternity wards and other services.

The same situation can be observed in social, cultural and scientific activities where an increase of 1.7 percent has been made. Great effort has been made in the cultural area since the creation of ten basic cultural institutions which continued to develop in 1982; these institutions should be in full operation next year. Regarding sport activities, resources will be used for the maintenance of installations and for carrying out international competitions after the expenses incurred for holding the Central American and Caribbean sports tournament. More money for scientific research and for social security payments has also been allotted.

Regarding defense and internal order, these expenditures are still high in comparison to 1981 [as heard]. This is more than justified due to the threats the country continues to face from U.S. imperialism. This was explained by Comrade Fidel during his recent speech on the 26th anniversary of the Granma landing and the creation of the FAR. These expenditures have been kept slightly under the 1982 figures without jeopardizing the defensive capabilities of the country and on the basis of better use of resources in this area. The overall 1983 budget is 1.8 percent higher than the 1982 budget.

Comrades, the 1983 budget was prepared on the basis of the country's efforts toward greater efficiency in order to face the adverse external financial situation created by the fall of sugar prices in the so-called international market, the increase of interest rates on credits and the abrupt fall of credit facilities. Therefore, the budget was prepared under the assumption that the terms and conditions proposed by Cuba for reorganizing its debt in terms of free foreign exchange resources will be fulfilled satisfactorily.

It is necessary that during the 1983 budget period labor and management in charge of production and services, the overall productive apparatus of the nation and the political and mass organizations make a great effort to guarantee an adequate and timely collection of revenues in order to improve the country's financial situation, reduce the cost of state enterprises and strictly observe budget expenditures -- reducing them as much as possible -- by making the best use of available resources, preventing waste and the improper use of these resources, continuing to strengthen domestic financing and its control over the economy, strictly abiding by the limits of authorized expenditures and by putting into practice procedures for improving efficiency such as the premiums specially alloted for this purpose in the productive sector, the budgetary and economic assessment stimulation and budget needs. It will be necessary to make great efforts to find solutions to the external financial problems. Thank you very much.

CUBAN-SOVIET TRADE INCREASES DURING 1982

FL302254 Havana Domestic Service in Spanish 1916 GMT 30 Dec 82

[Text] The volume of trade between the Soviet Union and Cuba in 1982 amounted to approximately 5.5 billion rubles, an increase of 10 percent over last year's figures.

During the coordination of economic plans for the 1981-1985 period, the principal development aims of a mutually beneficial cooperation had to be determined. Soviet-Cuban trade will amount to more than 50 percent over that of the previous 5-year period.

The Soviet Union lends its aid to Cuba in the development of the sugar, energy, steel, nickel and machinery industries, among others. Our country supplies sugar, nickel, citrus fruits and other goods to the Soviet Union.

MESSAGES RECEIVED ON REVOLUTION'S ANNIVERSARY

From Nicaraguan Government

FL311545 Havana Domestic Service in Spanish 1054 GMT 31 Dec 82

[Text] Nicaragua's FSLN National Directorate and the Junta of the Government of National Reconstruction has stated that Cuba is today an example of development, justice, freedom and sovereignty. A message of greetings sent to Fidel Castro, first secretary of the party and president of the Councils of State and Ministers, stated that tomorrow marks the day 24 years ago when our nation, in defeating the Batista tyranny, dealt a blow against the imperialist policy which supported it. All of our America, the message stated, was awakened by Cuba's heroic example and the hope reborn in that victory provided a new impetus in the struggle. It added that 24 years after its triumph, the Cuban revolution has become stronger despite the imperialist aggressor's attempts to destroy it.

From USSR, Other Socialist Countries

PA011846 Havana International Service in Spanish 1600 GMT 1 Jan 83

[Excerpts] The victory of 1 January 1959 opened a new chapter in Cuba's history and was an important milestone in the development of the Latin American and world revolutionary process, says the message of congratulations that the CPSU, USSR Supreme Soviet and USSR Council of Ministers sent to Cuban leader Fidel Castro. The document stresses that the victory of the Cuban revolution also gave rise to genuine friendship and cooperation between the two peoples in the joint struggle against the forces of reaction and imperialism. The top Soviet leaders also reaffirm in the note their solidarity with the people of the Republic of Cuba, a solid and imperishable link of the socialist community.

Another message of congratulations on the anniversary was sent to Fidel Castro by Mengistu Haile Mariam, the Ethiopian head of state, who says that the people of that African country follow with keen and great interest the achievements of revolutionary Cuba.

Other messages of congratulations on Cuba's national holiday were sent by the governments of Poland, Yugoslavia, Czechoslovakia, the People's Republic of Kampuchea and Afghanistan.

From Czechoslovak Leaders

FL310043 Havana Domestic Service in Spanish 0000 GMT 31 Dec 82

[Text] Czechoslovak President Gustav Husak, in a message sent today to the top Cuban leader, Commander in Chief Fidel Castro, notes the Cuban people's steadfastness in the defense of their revolutionary gains. In the message, Husak states that the triumph of the Cuban revolution on 1 January 1959 opened a new phase of the anti-imperialist struggle for national liberation in Latin America.

Czechoslovakia, the message notes, highly values the Caribbean island's consistent and principled foreign policy and its active contribution to the struggle against imperialism, colonialism, neocolonialism and for peace and progress.

Alois Indra, chairman of the Czechoslovak Federal Assembly, also sent a message of greetings on the occasion of the Cuban national celebration to Flavio Bravo, president of Cuba's National Assembly.

'MILITANT SOLIDARITY' WITH CONGO REAFFIRMED

FL302316 Havana Domestic Service in Spanish 2102 GMT 30 Dec 82

[Text] Cuba's Communist Party Central Committee has reiterated its militant solidarity with the just cause of the Congolese people in building a more just society. The message sent today to the Congolese Labor Party on the occasion of the 23rd anniversary of its founding conveys fraternal greetings from the Cuban communists and people. It adds that the union of the Congolese revolutionaries in the Congolese Labor Party, under the leadership of the unforgettable Comrade Marien Ngouabi and his adherence to the ideas of Marxism-Leninism, constituted a milestone in the protracted struggle of your people. You, the document adds, opened the way for numerous gains, for true independence and for the building of a more just society which today is led by Comrade President Denis Sassou-Nguesso.

CONGO PARADE HONORS VICE PRESIDENT ALMEIDA

FL312000 Havana Domestic Service in Spanish 1916 GMT 31 Dec 82

[Text] Commander of the Revolution Juan Almeida Bosque, vice president of the Council of State and member of the party Politburo, and Congolese President Denis Sassou-Nguesso reviewed a military-popular parade organized just after Almeida's arrival in that country. The ceremony was a sincere demonstration of jubilant tribute to the visitor and a show of support for the Congolese Labor Party and its leaders on the part of trade unions, mass organizations and the people. A large poster of the Congolese national hero, Marien Ngouabi, opened and closed the parade composed of large groups of men, women and children. Many of the paraders carried Congolese and Cuban flags, posters of Vladimir Illich Lenin and (?Agostinho Neto) as well as large red banners with revolutionary slogans.

The visit of the Cuban delegation to the Congo is part of a tour which had previously taken it to Tanzania, Cape Verde, Guinea-Bissau and Mozambique, among other countries. In those states, the delegation headed by Juan Almeida was met by senior officials of their respective parties and governments. There the delegation discussed bilateral relations, the seventh summit of the Nonaligned Movement and the international political situation.

In statements to the Congolese media, Almeida expressed pleasure at being able to visit the Congo and meet with President Denis Sassou-Nguesso once again.

In recent days the Congolese people have demonstrated considerable satisfaction over having fulfilled the tasks programmed for this year in the 5-year economic-social development plan.

SPANISH MAGAZINE ON CUBAN MILITARY CAPABILITY

FL301920 Mexico City NOTIMEX in Spanish 1520 GMT 30 Dec 82

[Text] Paris, 30 Dec (NOTIMEX) -- Cuba has the best equipped military forces in Latin America with an extensive offensive capability, the Spanish magazine DEFENSA asserted here today.

According to a study made by the magazine, the Soviet Union is involved in the modernization of all Cuban military branches, transforming them into the most powerful domestic military force in Latin America with the exception of the United States.

DEFENSA, a monthly magazine specializing in military subjects, claimed that Soviet ships delivered some 66,000 tons of military equipment to Cuba in 1981 while the annual average during previous years had been 15,000 tons. The magazine stated that the Cuban Navy acquired two combat submarines and one Koni type frigate which could increase its attack capability well beyond its coasts. The magazine also asserted that Cuba has some 200 MIG fighters of various types, that it has increased its paratroopers from 3,000 to 4,000 and that it has significantly improved its capability to establish sea and air bridges.

REAGAN'S CARIBBEAN PLAN LABELLED 'REGRESSIVE'

PA301335 Havana International Service in Spanish 2310 GMT 29 Dec 82

["Our America" commentary]

[Text] Since the triumph of the Cuban revolution on 1 January 1959, U.S. imperialism has fruitlessly tried to bend our people's will. As a traditional enemy of the peoples' independence and sovereignty since the days of Jefferson and Monroe, and in its publicly-announced effort to prevent the emergence of any new Cubas, Washington has prepared and implemented political and economic actions against Latin America that range from blackmail and economic blockade to the ousting of presidents, governments and the murder of prestigious anti-imperialist leaders.

In analyzing U.S.-Latin American relations over the last 23 years, the most significant conclusion we must reach is that the U.S. Government is not only unable to promote solutions, but doesn't even come close to any fundamental understanding of the real problems that are convulsing the continent, particularly Central America and the Caribbean. Despite this, Ronald Reagan's administration has surpassed previous U.S. Governments in clumsiness and lack of political sophistication. We needn't go too far into our analysis to see that this imperialist power group represents a regression in its homeland's political ideas.

More than 20 years ago, when the United States was at the peak of its postwar economic expansion, its government announced the so-called Alliance for Progress and the mobilization in a single decade of $20 billion in resources, presumably to promote capitalist development in Latin American countries. In this way, and in an effort to prevent the increase of revolutionary processes, Washington tried to respond to the historical fact represented by the Cuban revolution and admitted the need for definite structural changes. As we all know, this plan fizzled out. There was no development or alliance, much less any progress for our countries. On the contrary, imperialist ransacking increased, as did the dependence and deformation of Latin America's economy.

Now, 2 decades later and amid a crisis that has no precedent in the last 50 years, Reagan's plan for the Caribbean Basin is encountering strong opposition, even within the U.S. Government itself. The administration has faced great difficulty in securing approval of the initiative from the U.S. Senate, which postponed its debate of the second part of the plan -- its original scope having already been significantly reduced -- until next year.

Even some of the region's governments, which would presumably have benefitted from the plan, have voiced their disapproval of the project, which grants stingy economic aid at best and includes no plans to promote the development of these countries' battered economies.

However, the most significant aspect of this plan is Washington's return to such regressive schemes as the Monroe Doctrine, which Reagan has now revived. In announcing his economic initiative for the Caribbean, he said that the region is a vital strategic and commercial artery for the United States. In other words, anything that happens in the region must have the approval of the White House and should serve to benefit U.S. investors.

These stubborn attempts to reverse the historical development of the peoples by using inefficient economic mechanisms and an anticommunist crusade, wherein revolution and socialism are declared to be imported concepts, seem to be taken from the doctrine of the late U.S. Senator Joseph McCarthy. Reagan's appeal to certain commercial rights and his application of certain economic incentives favoring private sectors in the Caribbean would not even have helped in the days of President James Monroe, in the previous century.

VICE FOREIGN MINISTER PRAISES LAW OF SEA ACCORD

FL301340 Havana Domestic Service in Spanish 1100 GMT 30 Dec 82

[Text] The achievements of the Law of the Sea Convention were highlighted during a press conference held by Pelegrin Torras, Cuban vice minister [of foreign relations], who attended the meeting where that international agreement was signed. The convention, Torras said, establishes a 200-mile economic zone for seacoast states, a most important right to those countries. Among the accords benefiting all countries is the International Waters Rule which establishes an international authority to regulate resources and redistribute portions among needy states as well as [regulate] scientific research and environmental protection, he said.

To Cuba, he stressed, the convention is important because it makes a significant contribution to world peace, regulates the use of the oceans, promotes reasonable extraction of resources and establishes legal systems under which jurisdictional conflicts can be settled.

BRIEFS

CASTRO ATTENDS FUNERAL -- The funeral services for Comrade (Maria Caridad Molina del Villar) -- wife of Politburo member Osvaldo Dorticos Torrado -- were held this morning in Havana's Colon Cemetery. Our Commander in Chief Fidel Castro, Osvaldo Dorticos and other Politburo members led a procession of people attending the funeral. [Havana Domestic Service in Spanish 1700 GMT 29 Dec 82 FL]

RURAL MEDICAL DETACHMENT -- The First Contingent of the Commander Manuel Pito Fajardo Rural Medical Detachment, made up of 274 students in the sixth year of medical school, was established during a ceremony held in the FAR headquarters yesterday. [Havana Domestic Service in Spanish 1145 GMT 29 Dec 82 FL]

INFANT MORTALITY RATE -- Cuba registered an infant mortality rate of 17.4 infant deaths for each 1,000 children born in 1982. This is the lowest figure of any underdeveloped nation. [Havana International Service in Spanish 0000 GMT 3 Jan 83 PA]

ANTIGUA

DIPLOMATIC RELATIONS ESTABLISHED WITH PRC

FL011210 Bridgetown CANA in English 1104 GMT 1 Jan 83

[Text] Beijing, Jan 1, CANA-REUTER -- China has established diplomatic relations from today with Antigua and Barbuda, the NEW CHINA NEWS AGENCY reported. It said the world's most populous nation and the tiny group of West Indian islands agreed to set up diplomatic ties during talks at the United Nations on December 21.

The joint communique was signed by their respective permanent U.N. representatives, Ling Qing and Lloydston Jacobs [as received]. It said China supported the government of Antigua and Barbuda in safeguarding the island's independence and sovereignty and developing their economy. Antigua and Barbuda, for its part, "recognises that the government of the People's Republic of China is the sole legal government of China and that Taiwan is an inalienable part of the territory of the People's Republic of China."

GRENADA

ECONOMIC PLANNING AGREEMENT SIGNED WITH USSR

FL302111 Bridgetown CANA in English 1955 GMT 30 Dec 82

[Excerpt] St Georges, Grenada, Dec 30, CANA -- The Soviet Union has signed an agreement with Grenada under which Moscow is to provide on-the-job training for Grenadians in the area of economic planning.

According to the government-run "Radio Free Grenada", the agreement comes as a result of a recent visit to Grenada by a high-level six man Soviet delegation in response to a request by Grenadian Prime Minister Maurice Bishop.

The radio quoted an official in the Ministry of Planning here as saying that the Soviets also agreed to provide assistance to the island in the areas of agricultural planning, agro and light industries and tourism. The official stated that the Soviet Union would also provide the left-leaning Grenada Government of Mr Bishop with literature on economic planning, as well as scholarships for nationals in both undergraduate and graduate studies.

REACTION TO VICE PRESIDENT BUSH'S REMARKS

FL011218 Bridgetown CANA in English 2214 GMT 31 Dec 82

[Text] St Georges, Grenada, Dec 31, CANA -- Grenada said today it had written the United States disputing Vice President George Bush's description of the Caribbean island as "economically weak, militarised, repressive and dependent."

A statement from the prime minister's office here said the facts had revealed a situation quite different from what the American vice president had created for his audience in Miami earlier this month.

"The August 1982 World Bank report on Grenada attests to the country's striking economic progress," the statement said, adding that "since the revolution in 1979, Grenada has achieved positive economic growth, averaging about three per cent per annum in real terms. There has been, besides, a dramatic reduction in unemployment from 49 per cent to 14.7 per cent."

The statement said a wide range of publications, including the book "Is Freedom We Making," bear testimony to a broadening and deepening of the democratisation process in Grenada during the three and a half years of revolutionary power."

(Prime Minister Maurice Bishop's New Jewel Movement came to power in March 1979 coup ousting the adminsitraiton of Eric Gairy).

The government statement said that Vice President Bush "will no doubt realise that the achievements during this period compare favourably with those of the American revolution, whose earliest years themselves constituted a glorious period in the history of the United States of America."

"The Government of Grenada rejects any accusation of repression," the statement said. "Grenada has certainly been obliged to be alert and vigilant. Such vigilance cannot be reasonably be interpreted as repression."

In respect of Vice President Bush's reference to Grenada as dependent, the statement said he needed to be informed that unlike during the period when (former Prime Minister) Eric Gairy "misruled this country, rapid strides are now being made in diversifying our economy and broadening our economic and commercial relations within the framework of an independent and non-aligned policy."

It added: "The government of Grenada is amazed at the fact that Vice President Bush was not correctly and adequately briefed in respect of developments in Grenada. The government of Grenada shall be pleased to arrange for a high-level emissary to brief the vice president or someone designated to him. In the meanwhile, the Government of Grenada will be dispatching to the vice president almost immediately, copies of authoritative publications including the World Bank report of 1982."

HAITI

FOUR KILLED, 9 INJURED IN CAR BOMBING

PA020234 Paris AFP in Spanish 0201 GMT 2 Jan 83

[Text] Port-au-Prince, 1 Jan (AFP) -- Four people were killed and nine were injured as a result of the explosion of a vehicle filled with explosives early this morning in the center of Port-au-Prince, a new report issued tonight by the hospital of the Haitian State University indicates. An unidentified person was torn to pieces by the explosion, while three others, residents of the neighborhood, died from their injuries after entering the hospital, the same source added.

Two U.S. Mercenaries Sought

PA012336 Paris AFP in Spanish 2223 GMT 1 Jan 83

[Excerpts] Port-au-Prince, 1 Jan (AFP) -- According to reliable sources, the Haitian police are on the trail of two U.S. mercenaries linked with the opposition, as part of their investigation into the explosive device that exploded here today in an automobile, killing one person. The explosion occurred near the building where the Haitian tax service is located, not far from the National Palace in the center of the capital.

According to the same sources, the two North Americans are being actively sought, but it is also believed that they could have already left Haitian territory.

The situation is very calm in the Haitian capital, where many U.S. and European tourists are spending the year-end holidays. An authorized government source denied that today's explosion caused 10 victims as a news agency had reported. The source described that report as "false and totally groundless."

CLAUDE, BROADCASTER REPORTEDLY RELEASED

PA311702 Paris AFP in Spanish 1535 GMT 31 Dec 82

[Text] Port-au-Prince, 31 Dec (AFP) -- It was learned here today that Sylvio Claude, the founding president of the Christian Democratic Party of Haiti (PDCH), who was arrested on Tuesday, was released this morning. Clause, who was being held in the Dessalines garrison, remains under house arrest, to which he has been subject since he was first released on 22 September on President Jean-Claude Duvalier's orders.

It was also learned here that Gerard Duclerville [earlier AFP reports carried name as Dennerville], who was arrested by security service personnel on Sunday, was released yesterday. Duclerville works for Radio Cacique, a private radio station in Port-au-Prince.

JAMAICA

SEAGA APPOINTS NEW CENTRAL BANK GOVERNOR

FL301810 Bridgetown CANA in English 1658 GMT 30 Dec 82

[Text] Kingston, Jamaica, Dec 30, CANA -- Jamaica's financial secretary, Horace Barber, is to take over as the governor of the island's Central Bank from January 4, Prime Minister Edward Seaga has announced. Mr Barber, a civil servant with 42-years experience, will replace Herbert Walker who since the start of the year has been Jamaica's high commissioner to London. Since then, deputy governor, Owen Jefferson, has been filling the breach.

Mr Seaga, who is also minister of finance and planning, said that Mr Barber had also been appointed an adviser on fiscal affairs, financial policy and operations to the ministry. In this role he will assist with the development and preparation of the government's public sector investment programme and its integration into the budget.

Mr Barber will also assist with measures for financial reform, including cash management, performance budgeting as well as a system for financial management information and evaluation of the consolidated funds account, Mr Seaga said. Additionally, the Bank of Jamaica governor will develop and implement a public sector external finance programme.

Mr Barber was intimately associated with negotiating Jamaica's 1981 U.S. 698 million dollars extended fund facility (EFF) balance of payments support programme with the International Monetary Fund (IMF) for which he received a national award.

CENTRAL BANK REPORTS EXTERNAL DEBT INCREASES

FL292101 Bridgetown CANA in English 2101 GMT 29 Dec 82

[Text] Kingston, Jamaica, Dec 29, CANA -- Jamaica's external debt at the end of September stood at more than 2 billion dollars (1 Jca dollar: 56 cents U.S.), according to figures released today by the Central Bank of Jamaica [BOJ]. According to the BOJ statistical digest, the net foreign debt at the end of September stood at 2,376 million dollars. A year earlier the debt was 1,752 million dollars.

BURNHAM WARNS LOCALS, DIPLOMATS ON ILLEGAL ACTS

FL011735 Bridgetown CANA in English 1520 GMT 1 Jan 83

[By Edwin Ali]

[Text] Georgetown, Guyana, Jan 1, CANA -- Guyana today threatened to put out a number of Georgetown-based foreign diplomats who President Forbes Burnham said were trafficking illegally in foreign currency. "It has come to our attention that some diplomatic personnel are trafficking in foreign currency and that in cases, rents are being paid abroad to Guyanese landlords by certain embassies," Mr Burnham said in a New Year's Day radio broadcast.

"This is illegal and subversive and though the diplomats involved cannot be jailed they can be deemed personae non grata and sent packing," he said. He gave no names. As for the Guyanese involved he said, "Neither tears, dual citizenship nor foreign connections would rob them of the privilege of being guests of the state for a long period," an apparent reference to possible jail sentences.

President Burnham also referred to the government's earlier announcement that steps would be taken to stamp out illegal trading, blackmarketeering and other irregular practices. "None is spared. Neither party connections, wealth or friendship will save the criminals. None is too high and none too low and as I said to the Supreme Congress of the People, we shall not be affected by technicalities or arid legalism," he declared.

President Burnham also spoke of inefficiency in government offices and said "inefficiency will not be tolerated at any level. The people's assets will not and must not be dissipated by incompetents, posers and charlatans," he said.

He said there has already been some "spring cleaning" and more will take place. This was an apparent reference to an earlier announcement from his office that Chief Assayer Desmond Hope had been dismissed "in the public interest" and that the general manager of the Guyana Marketing Corportation, Tommy Rhodes, "was relieved of his post."

President Burnham referred to the world wide economic problems, inflation, last year's massacres in Lebanon and what he termed "the ruthless arrogance of the South African racists who have invaded independent Angola and Mozambique, and who recently marched into Lesotho slaughtering human beings at will."

Turning his attention to the sugar industry, he said "even though our production in sugar represented 92.8 percent of the original target and 102 percent of the revised target (280,000 tonnes) the industry lost 28 million dollars (one Guy dollar: 37 cents U.S.) because of world prices which have been below the cost of production." During this year he said off-shore oil exploration will be accelerated.

JACKSON TALKS ABOUT TERRITORIAL INTEGRITY

FL302231 Bridgetown CANA in English 2202 GMT 30 Dec 82

[Text] Georgetown, Guyana, Dec 30, CANA -- Guyana's Foreign Minister Rashleigh Jackson said he is confident that Guyana's territorial integrity will be preserved despite Venezuela's claim to 70 percent of this country.

"We are, of course, confident that, because our case is just, that in the end, no matter how long it takes, the territorial integrity of Guyana will be preserved," he told reporters. (Venezuela is claiming the mineral-rich Essequibo region of Guyana).

Looking back at the past year's activities as they related to Guyana's foreign policy, he said: "I think that the way our foreign relations have gone during 1982 attests to the correctness of the fundamental orientation of our policies, based upon the principles of non-alignment, the anti-imperialist stand, and our stand of really working for a world in which small states would be more secure."

The foreign minister referred to the termination of the Port-of-Spain protocol -- under which Venezuela and Guyana decided to put the dispute on ice for 12 years -- and noted that "when the terminal date was approaching, our relations with Venezuela deteriorated markedly:

"They adopted an attitude of hostility and intimidation, something which was not obvious when the protocol was in existence."

Mr Jackson expressed the view that the international community was more aware of the gravity of the Venezuelan claim "and, of course, the position of the Government of Guyana."

He referred to the position taken at the Caribbean Community (Caricom) foreign ministers meeting in Belize, the summit of Caricom leaders in November and the meeting of the Non-Aligned Movement in Havana.

He said: "It seems to me that the world is more aware of the situation and is anxious that certain principles should be paramount in the search for a solution to the controversy."

"Principal among these is, of course, the refraining from the use of force. Secondly, there would be, of course, the need to abide strictly with the provisions of the Geneva agreement and, thirdly, Venezuela should desist from further action to affect the economic development of our country," he said.

"One hopes that there would be more restraint shown on the part of Venezuela that we can maturely proceed to implement the provisions of the Geneva agreement," he concluded.

INTER-AMERICAN AFFAIRS

ORFILA CALLS FOR OAS SUMMIT 'AS SOON AS POSSIBLE'

FL011205 Bridgetown CANA in English 2253 GMT 31 Dec 82

[Text] Santo Domingo, Dominican Republic, Dec 31, CANA-REUTER -- Secretary General of the Organisation of American States (OAS), Alejandro Orfila, today called for a meeting of the heads of member countries as soon as possible. "We are at a crucial stage in our history and it is thus important to hold a summit meeting of presidents and heads of state as soon as possible to lay out new and decisive directions for Inter-American relations," he said in a year-end message.

Mr Orfila said 1982 had been a difficult year because of economic troubles and the war between Britain and Argentina over the Falkland (Malvinas) Islands. "However, there are very positive aspects which fill me with hope for the future...In the darkest and most difficult moments of 1982, during the Malvinas war, Latin America's unfailing solidarity showed itself in an overwhelming fashion," he said.

DOMINICAN REPUBLIC

GOVERNMENT TAKES OVER CEMENT PLANT; ANARCHY CITED

FL301715 Santo Domingo Radio Mil Network in Spanish 1000 GMT 30 Dec 82

[Excerpt] President Salvador Jorge Blanco has ordered the takeover of Dominican Cement. Article 1 of Decree 619 states that all the administration and industrial facilities of the cement plant will come under the administration, security and management control of the executive branch. Article 2 appoints (Jose Santos Taveras), under secretary of state of finance, temporary administrator of the cement plant to take over management and control of the enterprise and take the necessary steps to establish government representation in the plant [words indistinct]. Article 3 of Decree 619, appoints Army Col (Aris Manuel de Jesus Burgos Villa) director-supervisor of security and order in production areas, offices, warehouses and other facilities of Dominican Cement.

The administrator general of Corde [Dominican Corporation of State Enterprises] announced yesterday that all persons found guilty of creating disorder and anarchy in the Dominican cement plant will be dismissed from that state enterprise. (Bartemio Ortiz) also accepted responsibility for the militarization of the cement plant facilities alleging the existence of anarchist political factions in the plant. The government official said that the power of those factions had been such that they had administered beatings, broken windows and perpetrated several acts of sabotage.

URUGUAY

TRADE OFFICIAL VIEWS PROSPECTS FOR 1983

PY311940 Montevideo Radio El Espectador Network in Spanish 1600 GMT 31 Dec 82

[Excerpts] Jorge Sienra, director of the General Bureau of Foreign Trade, told El Espectador that an intense campaign for the promotion of Uruguayan products will be launched on the Japanese market. Sienra explained that the campaign will be carried out in the first half of 1983.

Concerning prospects for 1983, Sienra said: [Begin Sienra recording] We believe activities will be very intense in 1983. We will launch an aggressive promotion campaign on the Japanese market. It will be the first time we have engaged in a campaign of this kind. It will begin in February and will end on 31 July, thus covering a 5-month promotion period that will include two meetings in Tokyo and another one in the city of [name indistinct]. There is a wide variety of products that will be promoted on the Japanese market, ranging from leather products such as shoes, clothing purses, wallets and belts to wool products such as clothing and textiles. Other products such as (?granite), handicrafts, agates and amethysts will also be promoted. Meanwhile, Uruguay will also participate in some fairs which our country has traditionally attended in the FRG, seeking to gain markets for our products. [end recording]

VENEZUELA

ENERGY MINISTER ON OPEC RESULTS, PROSPECTS

PA291617 Caracas Radio Continente Network in Spanish 2100 GMT 28 Dec 82

[Excerpts] Energy and Mines Minister Humberto Calderon Berti said in a news conference at his office that despite the difficulties faced by Venezuela in 1982, the results it achieved, in the context of its membership in OPEC, were not completely unsatisfactory.

Calderon Berti added that the OPEC ministers feel that next year's demand for OPEC oil will be around 19.5 million barrels:

[Begin Calderon Berti recording] Despite the problems we went through in 1982, our results were not completely unsatisfactory. On the contrary, I'd say that we surpassed the goals we had set for outselves. It is important to note that a new export figure -- 1,420,000 barrels of oil per day -- was established as a result of the decline that took place in the oil market at the outset of the year. Some opposition sectors criticized us, saying that it would be practically impossible for Venezuela to reach that figure, that we would be able to export no more than 1,250,000 barrels. Yet now, only 3 days from the year's end, we have not only reached that figure, we've surpassed it by 100,000 barrels. We will close the year with an export figure of 1,520,000 barrels per day.

We made important decisions at the OPEC meeting, including the decision to maintain the oil price at $34 per barrel and to establish an overall production level of 18.5 million barrels. Unfortunately, however, we did not reach agreement on the distribution of this production level among the organization's member countries.

As long as conditions don't change, we have agreed to maintain a production level of 2 million barrels, as established in the initial program. Should a dramatic change take place, should OPEC make a decision and should Venezuela agree with that decision, we would be willing to make adjustments as necessary. In any event, we have our experiences of 1982, when we had to make important adjustments, from the point of view of revenues, and we were able to do so without great difficulty. [end recording]